					DEPARTMENT	T OF NAT	F UTAH TURAL RESO GAS AND MII			AMEN	FC DED REPOR	RM 3		
		AP	PLICATION F	OR PE	ERMIT TO DRILL				1. WELL NAME and NUMBER BONANZA 1023-18N1CS					
2. TYPE O	F WORK	DRILL NEW WELL	REENTE	R P&A W	WELL DEEPEN	3		3. FIELD OR WILDCA						
4. TYPE OF WELL									5. UNIT or COMMUNI	TIZATION		ENT NAM	1E	
Gas Well Coalbed Methane Well: NO 6. NAME OF OPERATOR KERR-MCGEE OIL & GAS ONSHORE, L.P.									7. OPERATOR PHONE	Ē	9-6515			
8. ADDRE	SS OF OPERAT	OR			· · · · · · · · · · · · · · · · · · ·				9. OPERATOR E-MAI	L				
10. MINER	AL LEASE NUM		P.O. Box 1737		iver, CO, 80217 1. MINERAL OWNERS	SHIP			12. SURFACE OWNER		anadarko	.com		
(FEDERAL	., INDIAN, OR S	TATE) UTU38421			FEDERAL INC	DIAN 🔵	STATE 🗍) FEE	FEDERAL IN	DIAN 🦲	STATE	F	EE 🔵	
13. NAME	OF SURFACE	OWNER (if box 12 :	= 'fee')						14. SURFACE OWNE	R PHONE	(if box 12	= 'fee')		
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')									16. SURFACE OWNER E-MAIL (if box 12 = 'fee')					
	N ALLOTTEE O	R TRIBE NAME			8. INTEND TO COMM		PRODUCTION	FROM	19. SLANT					
(if box 12	= 'INDIAN')						ling Applicatio	n) NO	VERTICAL DI	RECTION	AL 📵 H	HORIZONT	ΓAL 🔵	
20. LOC	ATION OF WELL			FOOT	TAGES	QT	R-QTR	SECTION	TOWNSHIP	R	ANGE	МЕ	ERIDIAN	
LOCATIO	N AT SURFACE		24	10 FNL	2442 FWL	s	SENW	18	10.0 S	2	3.0 E		S	
Top of U	ppermost Prod	ucing Zone	68	3 FSL	2584 FWL	S	SESW 18		10.0 S	2	3.0 E		S	
At Total Depth 683 FSL 2584 FWL							SESW	18	10.0 S		23.0 E S		S	
21. COUNTY UINTAH 22. DISTANCE TO NEAREST L							E ASE LINE (Fe 83	et)	23. NUMBER OF ACR		ILLING UN 37	IT		
					5. DISTANCE TO NEA Applied For Drilling		oleted)	POOL	26. PROPOSED DEPT		TVD: 814	7		
27. ELEV	ATION - GROUN	D LEVEL		28	8. BOND NUMBER		··		29. SOURCE OF DRIL			DDI ICAD	ı E	
		5323				WYB00	000291		WATER RIGHTO AFT		3496	III LIOAD		
Otalia a	Hala Ciaa	0	Lameth	10/-:	Hole, Casing				0		Castra	V: - L-l	14/ - ! l- 4	
String Surf	Hole Size	Casing Size 8.625	0 - 2110	Weig 28.0			Max Mud	vvt.	Cement Sacks Yield Weigl Type V 180 1.15 15.8				15.8	
													15.8	
Prod	7.875	4.5	0 - 8671	11.6	6 I-80 LT	&C	12.5	Р	Premium Lite High Strength 270 3.38 12				12.0	
									50/50 Poz		1240	1.31	14.3	
					А	TTACH	IMENTS							
	VER	IFY THE FOLLO	WING ARE A	TACH	IED IN ACCORDAN	ICE WIT	TH THE UTA	H OIL AND G	AS CONSERVATION (SENERA	L RULES			
⊮ w	ELL PLAT OR M	AP PREPARED BY I	ICENSED SUR	EYOR C	OR ENGINEER		COMPLETE DRILLING PLAN							
AF	FIDAVIT OF STA	TUS OF SURFACE	OWNER AGREE	MENT (I	(IF FEE SURFACE)		FORM	5. IF OPERATO	R IS OTHER THAN THE L	EASE OW	/NER			
I DIF	RECTIONAL SUI	RVEY PLAN (IF DIR	ECTIONALLY C	R HORI	IZONTALLY DRILLED))	торос	RAPHICAL MA	P					
NAME Da	anielle Piernot			TITL	LE Regulatory Analys	t		PHONE 7	20 929-6156					
SIGNATU	RE			DAT	TE 08/27/2012			EMAIL da	nielle.piernot@anadarko.	com				
	ber assigned)4753032(0000		APP	PROVAL			B	wayill					
								Pe	ermit Manager					

Kerr-McGee Oil & Gas Onshore. L.P.

BONANZA 1023-18N1CS

Surface: 2440 FNL / 2442 FWL SENW BHL: 683 FSL / 2584 FWL SESW

Section 18 T10S R23E

Uintah County, Utah Mineral Lease: UTU-38421

ONSHORE ORDER NO. 1

DRILLING PROGRAM

Estimated Tops of Important Geologic Markers: Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

<u>Formation</u>	<u>Depth</u>	<u>Resource</u>
Uinta	0 - Surface	
Green River	869'	
Birds Nest	1,190'	Water
Mahogany	1,663'	Water
Wasatch	3,919'	Gas
Mesaverde	5,963'	Gas
Sego	8,147'	Gas
TVD	8,147'	
TD	8,671'	

3. <u>Pressure Control Equipment</u> (Schematic Attached)

Please refer to the attached Drilling Program

4. <u>Proposed Casing & Cementing Program:</u>

Please refer to the attached Drilling Program

5. <u>Drilling Fluids Program:</u>

Please refer to the attached Drilling Program

6. <u>Evaluation Program</u>:

Please refer to the attached Drilling Program

2/23/2012

7. Abnormal Conditions:

Maximum anticipated bottom hole pressure calculated at 8147' TVD, approximately equals 5,214 psi 0.64 psi/ft = actual bottomhole gradient

Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD

Maximum anticipated surface pressure equals approximately 3,410 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot, per Onshore Order No. 2).

Per Onshore Order No. 2 - Max Anticipated Surf. Press.(MASP) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point))

8. <u>Anticipated Starting Dates:</u>

Drilling is planned to commence immediately upon approval of this application.

9. <u>Variances:</u>

Please refer to the attached Drilling Program. Onshore Order #2 – Air Drilling Variance

Kerr-McGee Oil & Gas Onshore LP (KMG) respectfully requests a variance to several requirements associated with air drilling outlined in Onshore Order 2

- · Blowout Prevention Equipment (BOPE) requirements;
- · Mud program requirements; and
- Special drilling operation (surface equipment placement) requirements associated with air drilling.

This Standard Operating Practices addendum provides supporting information as to why KMG current air drilling practices for constructing the surface casing hole should be granted a variance to Onshore Order 2 air drilling requirements.

The reader should note that the air rig is used only to construct a stable surface casing hole through a historically difficult lost circulation zone. A conventional rotary rig follows the air rig, and is used to drill and construct the majority of the wellbore.

More notable, KMG has used the air rig layout and procedures outlined below to drill the surface casing hole in approximately 675 wells without incident of blow out or loss of life.

Background

In a typical well, KMG utilizes an air rig for drilling the surface casing hole, an interval from the surface to surface casing depths, which varies in depth from 1,700 to 2,800 feet. The air rig drilling operation does not drill through productive or over pressured formations in KMG field, but does penetrate the Uinta and Green River Formations. The purpose of the air drilling operation is to overcome the severe loss circulation zone in the Green River known as the Bird's Nest while creating a stable hole for the surface casing. The surface casing hole is generally drilled to approximately 500 feet below the Bird's Nest.

Before the surface air rig is mobilized, a rathole rig is utilized to set and cement conductor pipe through a competent surface formation. Generally, the conductor is set at 40 feet. In some cases, conductor may be set deeper in areas that the surface formation is not found competent. This rig also drills the rat and mouse holes in preparation for the surface casing and production string drilling operations.

The air rig is then mobilized to drill the surface casing hole by drilling a 12 1/4 inch hole for the first 200 feet, then will drill a 11inch hole to just above the Bird's Nest interval with an air hammer. The hammer is then tripped and replaced with a 11 inch tri-cone bit. The tri-cone bit is used to drill to the surface casing point, approximately 500 feet below the loss circulation zone (Bird's Nest). The 8-5/8 inch surface casing is then run and cemented in place, thereby isolating the lost circulation zone.

KMG fully appreciates Onshore Order 2 well control and safety requirements associated with a typical air drilling operations. However, the requirements of Onshore Order 2 are excessive with respect to the air rig layout and drilling operation procedures that are currently in practice to drill and control the surface casing hole in KMG Fields.

Variance for BOPE Requirements

The air rig operation utilizes a properly lubricated and maintained air bowl diverter system which diverts the drilling returns to a six-inch blooie line. The air bowl is the only piece of BOPE equipment which is installed during drilling operations and is sufficient to contain the air returns associated with this drilling operation. As was discussed earlier, the drilling of the surface hole does not encounter any over pressured or productive zones, and as a result standard BOPE equipment should not be required. In addition, standard drilling practices do not support the use of BOPE on 40 feet of conductor pipe.

Variance for Mud Material Requirements

Onshore Order 2 also states that sufficient quantities of mud materials shall be maintained or readily accessible for the purpose of assuring adequate well control. Once again, the surface hole drilling operations does not encounter over pressured or productive intervals, and as a result there is not a need to control pressure in the surface hole with a mud system. Instead of mud, the air rigs utilize water from the reserve pit for well control, if necessary. A skid pump which is located near the reserve pit (see attachment) will supply the water to the well bore.

Variance for Special Drilling Operation (surface equipment placement) Requirements

Onshore Order 2 requires specific safety distances or setbacks for the placement of associated standard air drilling equipment, wellbore, and reserve pits. The air rigs used to drill the surface holes are not typical of an air rig used to drill a producing hole in other parts of the US. These are smaller in nature and designed to fit a KMG location. The typical air rig layout for drilling surface hole in the field is attached.

Typically the blooie line discharge point is required to be 100 feet from the well bore. In the case of a KMG well, the reserve pit is only 45 feet from the rig and is used for the drill cuttings. The blooie line, which transports the drill cuttings from the well to the reserve pit, subsequently discharges only 45 feet from the well bore.

Typically the air rig compressors are required to be located in the opposite direction from the blooie line and a minimum of 100 feet from the well bore. At the KMG locations, the air rig compressors are approximately 40 feet from the well bore and approximately 60 feet from the blooie line discharge due to the unique air rig design. The air compressors (see attachment) are located on the rig (1250 cfm) and

2/23/2012

on a standby trailer (1170 cfm). A booster sits between the two compressors and boosts the output from 350 psi to 2000 psi. The design does put the booster and standby compressor opposite from the blooie line.

Lastly, Onshore Order 2 addresses the need for an automatic igniter or continuous pilot light on the blooie line. The air rig does not utilize an igniter as the surface hole drilling operation does not encounter productive formations.

Variance for FIT Requirements

KMG also respectfully requests a variance to Onshore Order 2, Section III, Part Bi, for the pressure integrity test (PIT, also known as a formation integrity test (FIT)). This well is not an exploratory well and is being drilled in an area where the formation integrity is well known. Additionally, when an FIT is run with the mud weight as required, the casing shoe frequently breaks down and causes subsequent lost circulation when drilling the entire depth of the well.

Conclusion

The air rig operating procedures and the attached air rig layout have effectively maintained well control while drilling the surface holes in KMG Fields. KMG respectfully requests a variance from Onshore Order 2 with respect to air drilling well control requirements as discussed above.

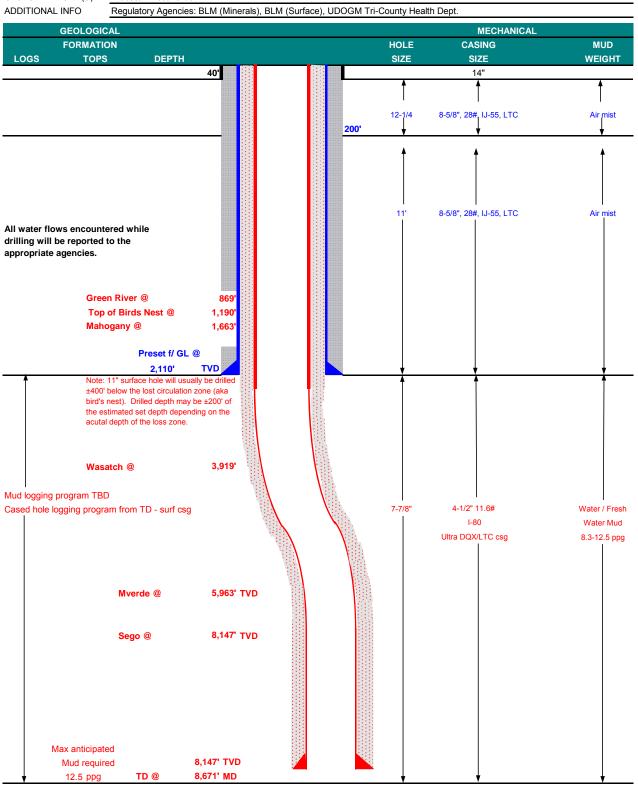
10. <u>Other Information:</u>

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

February 23, 2012 COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE WELL NAME **BONANZA 1023-18N1CS** 8,147' 8,671' MD TD TVD FIELD Natural Buttes **COUNTY Uintah** Utah FINISHED ELEVATION 5,323' STATE SURFACE LOCATION SENW 2440 FNL Sec 18 T 10S R 23E Latitude: 39.949546 Longitude: -109.370180 NAD 83 BTM HOLE LOCATION SESW 683 FSL 2584 FWL Sec 18 T 10S R 23E Latitude: 39.943467 -109.369680 NAD 83 Longitude: OBJECTIVE ZONE(S) Wasatch/Mesaverde





KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM	<u>/</u>		DESIGN	FACTORS							
										LTC	DQX
	SIZE	INTE	ERVAL		WT.	GR.	CPLG.	BURST	COLL	APSE	TENSION
CONDUCTOR	14"	0	-40'								
								3,390	1,880	348,000	N/A
SURFACE	8-5/8"	0	to	2,110	28.00	IJ-55	LTC	2.56	1.90	6.73	N/A
								7,780	6,350	223,000	267,035
PRODUCTION	4-1/2"	0	to	5,000	11.60	I-80	DQX	1.11	1.20		3.28
	4-1/2"	5,000	to	8,671'	11.60	I-80	LTC	1.11	1.20	6.47	

Surface Casing:

12.5 0.73 psi/ft = frac gradient @ surface shoe (Burst Assumptions: TD = ppg)

Fracture at surface shoe with 0.1 psi/ft gas gradient above

(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

Production casing:

7000 psi) (Burst Assumptions: Pressure test with 8.4ppg @ 0.64 psi/ft = bottomhole gradient

(Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

CEMENT PROGRAM

	FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGH	IT	YIELD
SURFACE LEAD	500'	Premium cmt + 2% CaCl	180	60%	15.80		1.15
Option 1		+ 0.25 pps flocele					
TOP OUT CMT (6 jobs)	1,200'	20 gals sodium silicate + Premium cmt	270	0%	15.80		1.15
		+ 2% CaCl + 0.25 pps flocele					
SURFACE		NOTE: If well will circulate water to	o surface,	option 2 wi	ll be utilized		
Option 2 LEAD	1,610'	65/35 Poz + 6% Gel + 10 pps gilsonite	150	35%	11.00		3.82
		+ 0.25 pps Flocele + 3% salt BWOW					
TAIL	500'	Premium cmt + 2% CaCl	150	35%	15.80		1.15
		+ 0.25 pps flocele					
TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.80		1.15
PRODUCTION LEAD	3,411'	Premium Lite II +0.25 pps	270	35%	12.00		3.38
		celloflake + 5 pps gilsonite + 10% gel					
		+ 0.5% extender					
TAIL	5,260'	50/50 Poz/G + 10% salt + 2% gel	1,240	35%	14.30		1.31
		+ 0.1% R-3					

^{*}Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE

Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe

PRODUCTION

Float shoe, 1 jt, float collar. 15 centralizers for a Mesaverde and 20 for a Blackhawk well. centralizer on the first 3 joints and one every third joint thereafter.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

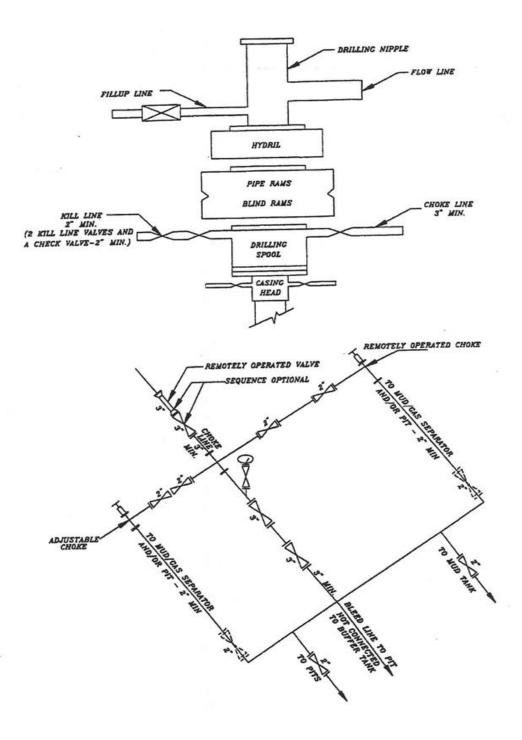
BOPE: 11" 5M with one annular and 2 rams. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip. Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and lower kelly valves.

Surveys will be taken at 1,000' minimum intervals.

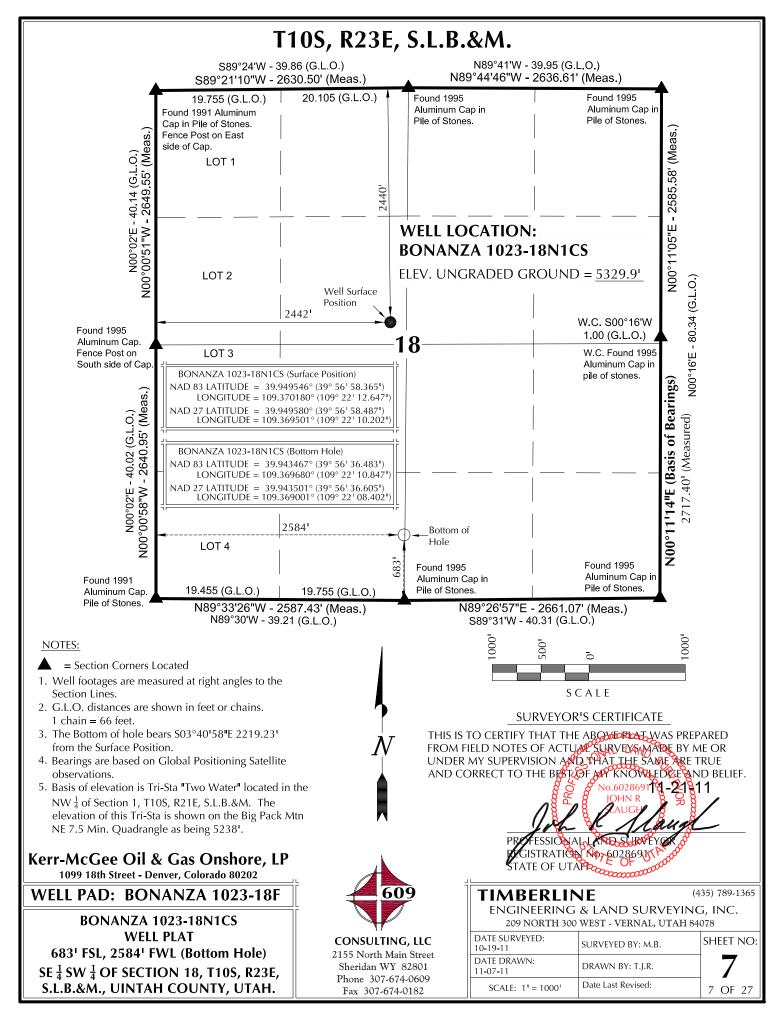
_	Most rigs have PVT System fo	r mud monitoring. If no PVT is available, visual monitoring will be utilized.		
DRILLING	ENGINEER:		DATE:	
		Nick Spence / Danny Showers / Chad Loesel	•	
DRILLING	SUPERINTENDENT:		DATE:	
		Kenny Gathings / Lovel Young	•	

^{*}Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

EXHIBIT A BONANZA 1023-18N1CS



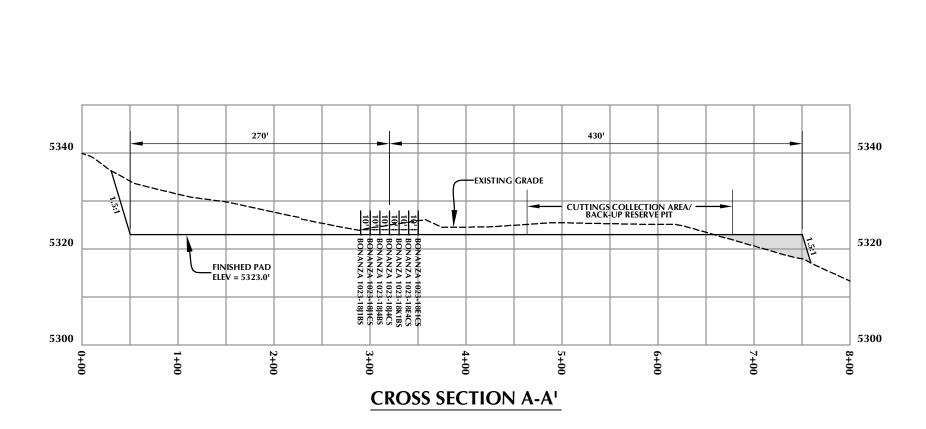
SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

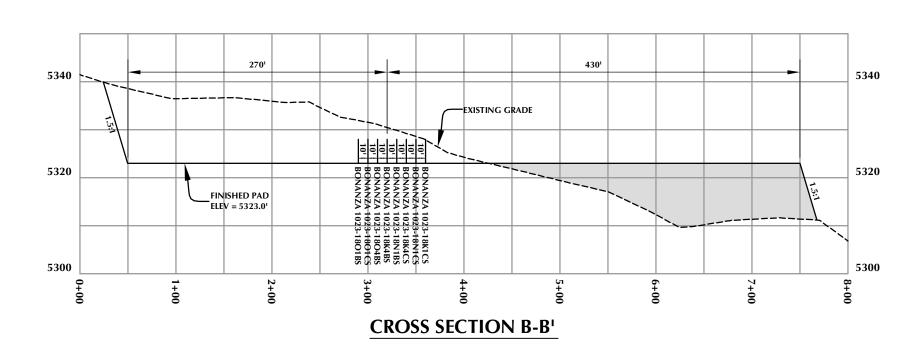


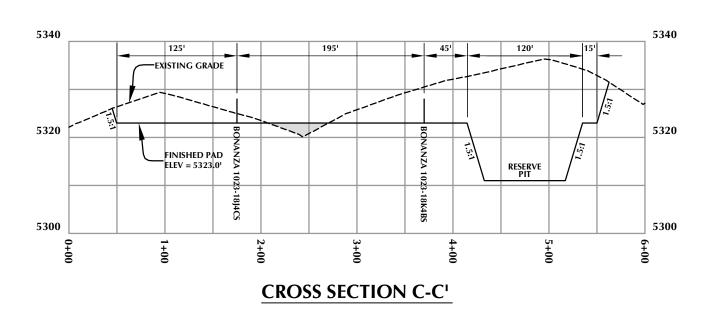
WELL NAME LONGITUDE LONG	BOTTOM HOLE					
BONANZA 397-567-58.60 1097-217-1377 397-567-58.60 10	FOOTAGES					
BONANZA 3975658.365" 10972211.2008 3975658.487" 10972210.9580 2441* N.H. 2975693.685" 1097211.2108 399459680 1097210.9580 2441* N.H. 2975693.685" 1097211.2131" 399459680 1097210.9580 2441* N.H. 2975693.685" 1097211.2131" 399459680 1097210.9580 2441* N.H. 2975693.685" 1097211.2131" 399459680 399459680 399459680 399459680 399459680 399459680 399459680 399459680 399459680 399459680 399459680 39945968	1157' FSL					
1023-1801CS 39.949466 109.370031* 39.949580* 109.369322* 249.21 PM 39.94580* 39.949580* 109.369322* 249.21 PM 39.9563.035* 109.212.1231* 39.95653.035* 109.212.1231* 39.94580* 109.369328* 2482* PM 39.949580* 109.369328* 2482* PM 39.94580* 109.365865* 39.949580* 109.365365* 39.949580* 109.365365* 39.949580* 109.365865* 39.949580* 109.365865* 39.949580* 109.365865* 39.949580* 109.365865* 39.949580* 109.365865* 39.949580* 109.365865* 39.949580* 109.365865* 39.949580* 109.365865* 39.949580* 109.365865* 39.949580* 109.365865* 39.949580* 109.365865* 39.949580* 109.365865* 39.949580* 109.365865* 39.949580* 109.365865* 39.949580* 109.365865* 39.949580* 109.365865* 39.949580* 109.365865* 39.949580* 39.946600* 39	1607' FEL 824' FSL					
1023-1804BS 39.949546 09.3700137 39.949567 109.3691367 209.210	1613' FEL					
BONANZA 397-56 58.465" 109-22-12-62" 399-550" 399-9550"	514' FSL 1596' FEL					
BONANZA 39*5658.365* 109*2211.3199* 39*658.4868* 109*2219.945* 2440* FNL 39*56* 109*2210.933* 39*4550* 109.360429* 240* FNL 39*56* 39*5	1824' FSL					
1023-18N185 39-949546 109-320108 39-949580 109-369025 2404 FN. 39-945848 109-369025 220-8278 109-369025 2404 FN. 39-945848 109-369025 109-3690	2624' FEL 1054' FSL					
1023-18INICS 39-949546 109-310144 39-949580 109-369405 2440 FN. 39-94556 30-349556 30-34956	2577' FWL					
BONANZA 399-658-365 1093-2712-647" 399-658-87 1093-221-202 2440 F.M. 399-5636-605 399-45367 1093-70180" 399-9580" 1093-9580" 2440 F.M. 399-5636-605 1093-37180" 2440 F.M. 399-5636-700" 1093-7020" 399-5636-700 1093-7020" 399-5636-700 1093-7020" 399-5636-700 1093-7020" 399-5636-700 1093-7020" 399-5636-700 1093-7020" 399-5636-700 1093-7020" 399-5636-700 1093-7020" 399-5636-700 1093-7020" 399-5636-700 1093-7020" 399-5636-700 1093-7020" 399-5636-700 1093-7020" 399-5636-700 1093-7020" 399-5636-700 1093-7020" 399-5636-700 1093-7020" 399-5636-700 1093-7020" 399-5636-700 1093-7020" 399-5636-700 1093-7020" 399-5636-700	1424' FSL 2547' FWL					
PONANZA 39°56'58.365° 39°21'12.77° 39°56'58.487° 39°22'10.330° 2449 FNL 39°56'17.21° 39°56'51.843° 39.94770° 39.9470° 39.9470° 39.94770° 39.947734° 39°56'51.843° 39.947734° 39°56'51.843° 39.94770° 39.9470° 39.94770° 39.94770° 39.94770°	6831 FSL					
1023-18KICS 39.949546° 109.370215° 39.949580° 109.369536° 24.32° PWL 39.947700° 109.370203° 39.947734° 109.369524°	2584' FWL 2224' FSL					
WELL NAME NORTH EAST BONANZA 1023-1801CS 1730.6' 1143.7' 1123-1801CS 1023-1801CS	2436' FWL					
BONANZA 1023-1801BS	F.4.0=					
1023-1801BS 173.05 173.05 173.7 1023-1801CS 2005.5 1740.5 1023-1804BS 172.5	EAST					
BONANZA 1023-18K1CS	159.21					
1023-18N1BS 1043.7 103-18K4CS 1023-18K4CS 1023-18N1CS 1023-1	EAST					
AZ = 269.84333° \$89°50'36"W BONANZA 1023-18K1CS BONANZA 1023-18O1BS BONANZA 1023-18O1BS BONANZA 1023-18O1BS BONANZA 1023-18O4BS BONANZA 1023-18V4BS BONANZA 1023-18K4BS	4.1'					
BASIS OF BEARINGS IS THE EAST LINE OF THE SE \$\frac{1}{4}\$ OF SECTION 18, T10S, R23E, S.L.B.&M. WHICH IS TAKEN FROM \$\frac{1}{5}03^{\circ}40^{\circ}58^{\circ} = 2219.23^{\circ}\$	V					
GLOBAL POSITIONING SATELLITE OBSERVATIONS TO BEAR NO0°11'14"E. AZ=176.41778° SO3°34'56"E - 1847.28' (To Bottom Hole) AZ=176.29889° SCALE Kerr-McGee Oil & Gas Onshore, LP						
WELL PAD INTERFERENCE PLAT ENGINEERING & LAND SURVEYING						
WELLS: RONANZA 1023-1801RS, RONANZA 1023-1801CS. CONSULTING LIG. DATE SURVEYED:						
BONANZA 1023-1804BS, BONANZA 1023-18K4BS, 2155 North Mais Street 10-19-11 SURVEYED BY: M.B.	SHEET NO:					
BONANZA 1023-18N1BS, BONANZA 1023-18K4CS, BONANZA 1023-18N1CS & BONANZA 1023-18K1CS Sheridan WY 82801 DATE DRAWN: 11-07-11 DRAWN BY: T.J.R.	16A					
LOCATED IN SECTION 18, T10S, R23E, Phone 307-674-0609 S.L.B.&M., UINTAH COUNTY, UTAH. Fax 307-674-0182 Date Last Revised: SCALE: 1" = 60' Date Last Revised:	16A OF 27					

BONANZA 39 1023-18J1CS 39 BONANZA 39 1023-18J1CS 39 BONANZA 39 1023-18J4BS 39 BONANZA 39 1023-18J4CS 39 BONANZA 39 1023-18HCS 39 BONANZA 39 1023-18E1CS 39 WELL NAME N BONANZA 1023-18J1BS WELL NAME N BONANZA 1	NAE LATITUDE **57'00.292" .950081" **57'00.292" .950081" **57'00.292" .950081" **57'00.292" .950081" **57'00.292" .950081" **57'00.292" .950081" **57'00.292" .950081" **57'00.291" .950081" **57'00.291" .950081" **57'00.291" .950081" **57'00.291" .950081" **57'00.291" .950081" **57'00.291" .950081" **57'00.291" .950081" **57'00.291" .950081" .95	LONGITU	881" 39°57'00. 39.950112 009" 39°57'00. 39.950113 137" 39°57'00. 39.950112 266" 39°57'00. 39.950112 523" 39°57'00. 39.950112 523" 39°57'00. 39.950112 523" 39°57'00.	NAD27 DE LONC 415" 109°22 5° 109.36' 414" 109°22 5° 109.36' 414" 109°22 5° 109.36' 414" 109°22 5° 109.36' 414" 109°22 5° 109.36' 414" 109°24 414" 109°24 414" 109°24	'09,435" 9288° '09,564" 9323° '09,692" 9359° '09,820" 9395° '09,949" 9430° '10,077" 9466° '10,206" 9502°		39°56'5 39.948' 39°56'5 39.947' 39°56'2 39.946' 39°56'5 39.949' 39°56'5 39.949' 39°57'(39.950'5	54.254" 404° 51.044" 512° 47.753" 598° 44.466" 685° 66.504" 029° 57.688" 358° 12.097" 582°		39.947546° 39°56'47.875" 39.946632° 39°56'44.588" 39.945719° 39°56'56.626" 39.949063° 39°56'57.810" 39.949392°	LONGITUDE	2473' FSL 1658' FEL 2148' FSL 1642' FEL 1815' FSL 1648' FEL 1482' FSL 1609' FEL 2626' FNL 2189' FWL 2497' FNL 1300' FWL
BONANZA 39 1023-18J1BS 39 BONANZA 39 1023-18J1CS 39 BONANZA 39 1023-18J4BS 39 BONANZA 39 1023-18J4CS 39 BONANZA 39 1023-18K1BS 39 BONANZA 39	0°57'00.292" 9.950081° 0°57'00.292" 9.950081° 0°57'00.292" 9.950081° 0.950081° 0.950081° 0.957'00.292" 9.950081° 0°57'00.292" 9.950081° 0°57'00.291" 9.950081°	109°22'11. 109.36996; 109°22'12. 109.37000; 109°22'12. 109.37007; 109°22'12. 109.37011(109°22'12. 109.37014; 109°22'12. 109.37018 EAST 1097.5' EAST	881" 39°57'00. 7° 39.950112 3009" 39°57'00. 39.950112 38° 39°57'00. 39.950112 266" 39°57'00. 39.950113 39°457'00. 39.950112 523" 39°57'00. 39.950112 523" 39°57'00. 39.950112 FELAT WELL NAME BONANZA 1023-18J1CS WELL NAME	415" 109°22 5° 109.36' 414" 109°22 109.36' 414" 109°22 5° 109.36' 414" 109°22 5° 109.36' 414" 109°22 5° 109.36' 414" 109°22 5° 109.36' 414" 109°22 109.36' 414" 109°22 109.36' 414" 109°22 109.36' WE COORD	109.435" 9288° 109.564" 9323° 109.692" 9359° 109.820" 9395° 109.949" 9430° 110.077" 9466° 110.206" 9502° INATES -	2246' FNL 2502' FWL 2246' FNL 2246' FNL 2246' FNL 2246' FNL 2247' FWL 2245' FNL 2245' FNL 2245' FNL 2245' FNL 2245' FNL 2245' FNL 2442' FWL	39°56'5 39.948' 39°56'5 39.947' 39°56'2 39.946' 39°56'5 39.949' 39°56'5 39.949' 39°57'(39.950'5	54.254" 404° 51.044" 512° 47.753" 598° 44.466" 685° 66.504" 029° 57.688" 358° 12.097" 582°	109°21'57.800" 109.366056° 109°21'57.613" 109.366004° 109°21'57.709" 109.366030° 109°21'57.227" 109.365896° 109°22'15.898" 109.371083° 109°22'27.309" 109.374252° 109°22'27.073"	39°56'54.376" 39.948438° 39°56'51.166" 39.947546° 39°56'47.875" 39.946632° 39°56'44.588" 39.945719° 39°56'56.626" 39.949392° 39°56'57.810" 39.949392°	109°21'55.356" 109.365377° 109°21'55.168" 109.365325° 109°21'55.264" 109.365351° 109°21'54.782" 109.365217° 109°22'13.452" 109.370403° 109°22'24.862" 109.373573° 109°22'24.627"	2473' FSL 1658' FEL 2148' FSL 1642' FEL 1815' FSL 1648' FEL 1482' FSL 1609' FEL 2626' FNL 2189' FWL 2497' FNL 1300' FWL 2051' FNL
1023-18J1BS 39 BONANZA 39 1023-18J1CS 39 BONANZA 39 1023-18J4BS 39 BONANZA 39 1023-18K1BS 39 BONANZA 39 1023-18E4CS 39 BONANZA 39	9.950081° 9°57'00.292" 9.950081° 9°57'00.292" 9.950081° 9°57'00.292" 9.950081° 9°57'00.292" 9.950081° 9°57'00.292" 9.950081° 9°57'00.291" 9.950081°	109.36996; 109°22'12. 109.37003; 109°22'12. 109.37007; 109°22'12. 109.37011; 109°22'12. 109.37014; 109°22'12. 109.37018; EAST 1097.5' EAST	39.950112 39°57'00. 39.950112 137" 39°57'00. 39.950112 266" 39°57'00. 39.950112 523" 39°57'00. 39.950112 523" 39°57'00. 39.950112 553" 39°57'00. 39.950112 TRELAT WELL NAME BONANZA 1023-18J1CS WELL NAME	5° 109.36' 414" 109°22 5° 109.36' 414" 109°22 5° 109.36' 414" 109°22 5° 109.36' 414" 109°22 5° 109.36' 414" 109°22 5° 109.36' 414" 109°22 5° 109.36' WE COORD NORTH	9288°	2502	39.948- 39°56'5 39.946: 39°56'2 39.946: 39°56'5 39.945: 39°56'5 39.949: 39°57'(39.950:	404° 51.044" 512° 17.753" 598° 14.466" 685° 66.504" 029° 17.688" 358° 12.097" 582°	109.366056° 109°21'57.613" 109.366004° 109°21'57.709" 109.366030° 109°21'57.227" 109.365896° 109°22'15.898" 109.371083° 109°22'27.309" 109.374252° 109°22'27.073"	39.948438° 39°56'51.166" 39.947546° 39°56'47.875" 39.946632° 39°56'44.588" 39.945719° 39°56'56.626" 39.949063° 39°56'57.810" 39.949392° 39°57'02.219"	109.365377° 109°21'55.168" 109.365325° 109°21'55.264" 109.365351° 109°21'54.782" 109.365217° 109°22'13.452" 109.370403° 109°22'24.862" 109.373573° 109°22'24.627"	1658' FEL 2148' FSL 1642' FEL 1815' FSL 1648' FEL 1482' FSL 1609' FEL 2626' FNL 2189' FWL 2497' FNL 1300' FWL 2051' FNL
1023-18J1CS 39 BONANZA 39 1023-18J4BS 39 BONANZA 39 1023-18J4CS 39 BONANZA 39 1023-18K1BS 39 BONANZA 39 1023-18E1CS 39 WELL NAME N BONANZA 1023-18J1BS WELL NAME N BONANZA 1023-18J1BS WELL NAME N BONANZA 1023-18J1BS WELL NAME N	9.950081° 9°57'00.292" 9.950081° 9°57'00.292" 9.950081° 9°57'00.292" 9.950081° 9°57'00.292" 9.950081° 9°57'00.291" NORTH -610.0' NORTH	109.37000: 109°22'12. 109.37003: 109°22'12. 109.37011: 109°22'12. 109.370114: 109°22'12. 109.37018: EAST	39.950111 137" 39°57'00. 39.950111 266" 39°57'00. 39.950111 39°57'00. 39.950111 523" 39°57'00. 39.950111 551" 39°57'00. 39.950111 FELAT WELL NAME BONANZA 1023-18J1CS WELL NAME	5° 109.36' 414" 109°22 5° 109.36' 414" 109°22 5° 109.36' 414" 109°22 5° 109.36' 414" 109°22 5° 109.36' 414" 109°22 109.36' IVE COORD NORTH	9323° '09.692" '93.59° '09.820" 93.95° '09.949" 94.06° '10.077" 9466° 9502° INATES - EAST	2492	39.9473 39°56'4 39.946 39°56'4 39.9450 39°56'5 39.9490 39°57'0 39.950	512° 17.753" 598° 14.466" 685° 66.504" 0229° 37.688" 358° 02.097" 582°	109.366004° 109°21'57.709" 109.366030° 109°21'57.227" 109.365896° 109°22'15.898" 109.371083° 109°22'27.309" 109.374252° 109°22'27.073"	39.947546° 39°56'47.875" 39.946632° 39°56'44.588" 39.945719° 39°56'56.626" 39.949392° 39°57'02.219"	109.365325° 109°21'55.264" 109.365351° 109°21'54.782" 109.365217° 109°22'13.452" 109.370403° 109°22'24.862" 109.373573° 109°22'24.627"	1642' FEL 1815' FSL 1648' FEL 1482' FSL 1609' FEL 2626' FNL 2189' FWL 2497' FNL 1300' FWL 2051' FNL
BONANZA 39 1023-18J4CS 39 BONANZA 39 1023-18J4CS 39 BONANZA 39 1023-18K1BS 39 BONANZA 39 BONANZA 39 BONANZA 39 WELL NAME N BONANZA 1023-18J1BS WELL NAME N BONANZA	0°57'00.292" 9.950081° 0°57'00.292" 0.950081° 0.950081° 0.957'00.292" 0.950081° 0°57'00.292" 0.950081° 0°57'00.291" 0.950081° NORTH	109°22'12. 109.370038 109°22'12. 109.370074 109°22'12. 109.370114 109°22'12. 109.37018 EAST	137" 39°57'00. 39.95011! 266" 39°57'00. 39.95011! 399" 39°57'00. 39.95011! 523" 39°57'00. 39.95011! 551" 39°57'00. 39.95011! ERLAT WELL NAME BONANZA 1023-18J1CS WELL NAME	414" 109°22 5° 109.36' 414" 109°22 5° 109.36' 414" 109°22 5° 109.36' 414" 109°22 109.36' 414" 109°22 109.36' VE COORD NORTH	"09.692" 9359° "09.820" 9395° "09.949" 9430° "10.077" 9466° "10.206" 9502° INATES -	2246' FNL 2482' FWL 2246' FNL 2472' FWL 2245' FNL 2462' FWL 2245' FNL 2245' FNL 2442' FWL	39°56'5 39.946' 39.945' 39.945' 39.949' 39°56'5 39.949' 39°57'(39.950'	47.753" 598° 14.466" 685° 66.504" 029° 57.688" 358° 02.097" 582°	109°21'57.709" 109.366030° 109°21'57.227" 109.365896° 109°22'15.898" 109.371083° 109°22'27.309" 109.374252° 109°22'27.073"	39°56'47.875" 39.946632° 39°56'44.588" 39.945719° 39°56'56.626" 39.949063° 39°56'57.810" 39.949392° 39°57'02.219"	109°21'55.264" 109.365351° 109°21'54.782" 109.365217° 109°22'13.452" 109.370403° 109°22'24.862" 109.373573° 109°22'24.627"	1815' FSL 1648' FEL 1482' FSL 1609' FEL 2626' FNL 2189' FWL 2497' FNL 1300' FWL 2051' FNL
1023-18J4BS 39 BONANZA 39 1023-18J4CS 39 1023-18K1BS 39 BONANZA 39 1023-18E4CS 39 BONANZA 39 1023-18E1CS 39 WELL NAME N BONANZA 1023-18J1BS WELL NAME N BONANZA 1023-18J1BS WELL NAME N BONANZA 1023-18J1BS WELL NAME N	9.950081° 9°57'00.292" 9.950081° 9°57'00.292" 9.950081° 9.957'00.292" 9.950081° 9°57'00.291" 9.950081° NORTH -610.0'	109.370038 109°22'12. 109.37007- 109°22'12. 109.370110 109°22'12. 109.370149 109°22'12. 109.37018' EAST 1097.5' EAST	39.950112 266" 39°57'00. 39.950115 394" 39°57'00. 39.950115 39.950115 551" 39°57'00. 39.950115 551" 39°57'00. 39.950115 WELL NAME BONANZA 1023-18J1CS	5° 109.36' 414" 109°22 109.36' 414" 109°22 5° 109.36' 414" 109°22 109.36' 414" 109°22 109.36' IVE COORD NORTH	9359° '09.820" 9395° '09.949" 9430° '10.077" 9466° '10.206" 9502° INATES -	2482' FWL 2246' FNL 2472' FWL 2245' FNL 2462' FWL 2245' FNL 2452' FWL 2245' FNL 2442' FWL	39.946: 39°56'5 39.949: 39°56'5 39.949: 39°56'5 39.949: 39°57'0 39.950:	598° 14.466" 685° 66.504" 029° 57.688" 358° 02.097" 582°	109.366030° 109°21'57.227" 109.365896° 109°22'15.898" 109.371083° 109°22'27.309" 109.374252° 109°22'27.073"	39.946632° 39°56'44.588" 39.945719° 39°56'56.626" 39.949063° 39°56'57.810" 39.949392° 39°57'02.219"	109.365351° 109°21'54.782" 109.365217° 109°22'13.452" 109°370403° 109°22'24.862" 109.373573° 109°22'24.627"	1648' FEL 1482' FSL 1609' FEL 2626' FNL 2189' FWL 2497' FNL 1300' FWL 2051' FNL
1023-18J4CS 39 BONANZA 39 1023-18K1BS 39 BONANZA 39 1023-18E4CS 39 BONANZA 39 1023-18E1CS 39 WELL NAME N BONANZA 1023-18J1BS WELL NAME N BONANZA 1023-18J1BS WELL NAME N	0.950081° 0.957'00.292" 0.950081° 0.950081° 0.957'00.292" 0.950081° 0.950081° 0.950081° 0.950081° 0.950081° 0.950081°	109.37007- 109°22'12. 109.370110 109°22'12. 109.37014: 109°22'12. 109.37018: EAST 1097.5' EAST	39.950111 394" 39°57'00. 39.950111 523" 39°57'00. 39.950111 651" 39°57'00. 39.950111 RELAT WELL NAME BONANZA 1023-18J1CS WELL NAME	5° 109.36' 414" 109°22 5° 109.36' 414" 109°22 5° 109.36' 414" 109°22 5° 109.36' IVE COORD NORTH	9395° '09.949" 9430° '10.077" 9466° '10.206" 9502° INATES - EAST	2472' FWL 2245' FNL 2462' FWL 2245' FNL 245' FNL 2245' FNL 2442' FWL	39.9456 39°56'5 39.9490 39°56'5 39.9493 39°57'0 39.9509	685° 66.504" 029° 57.688" 358° 02.097" 582°	109.365896° 109°22'15.898" 109.371083° 109°22'27.309" 109.374252° 109°22'27.073"	39.945719° 39°56'56.626" 39.949063° 39°56'57.810" 39.949392° 39°57'02.219"	109.365217° 109°22'13.452" 109.370403° 109°22'24.862" 109.373573° 109°22'24.627"	1609' FEL 2626' FNL 2189' FWL 2497' FNL 1300' FWL 2051' FNL
BONANZA 39 1023-18K1BS 39 BONANZA 39 1023-18E4CS 39 BONANZA 39 1023-18E1CS 39 WELL NAME N BONANZA 1023-18J1BS WELL NAME N BONANZA	0°57'00.292" 9.950081° 0°57'00.292" 9.950081° 0°57'00.291" 9.950081° NORTH	109°22'12. 109.370110 109°22'12. 109.37014! 109°22'12. 109.37018' EAST	394" 39°57'00. 39.95011! 523" 39°57'00. 39.95011! 651" 39°57'00. 39.95011! RELAT WELL NAME BONANZA 1023-18J1CS WELL NAME	414" 109°22 5° 109.36' 414" 109°22 5° 109.36' 414" 109°22 5° 109.36' IVE COORD NORTH	'09.949" 9430° '10.077" 9466° '10.206" 9502° INATES -	2245' FNL 2462' FWL 2245' FNL 2452' FWL 2245' FNL 2442' FWL	39°56'5 39.9490 39°56'5 39.9493 39°57'0 39.9500	66.504" 029° 57.688" 358° 02.097" 582°	109°22'15.898" 109.371083° 109°22'27.309" 109.374252° 109°22'27.073"	39°56'56.626" 39.949063° 39°56'57.810" 39.949392° 39°57'02.219"	109°22'13.452" 109.370403° 109°22'24.862" 109.373573° 109°22'24.627"	2626' FNL 2189' FWL 2497' FNL 1300' FWL 2051' FNL
BONANZA 39 1023-18E4CS 39 BONANZA 39 1023-18E1CS 39 WELL NAME N BONANZA 1023-18J1BS WELL NAME N BONANZA	0°57'00.292" 0.950081° 0°57'00.291" 0.950081° 0.950081° NORTH	109°22'12. 109.37014! 109°22'12. 109.37018' EAST	23" 39°57'00. 39.95011! 651" 39°57'00. 39.95011! RELAT WELL NAME BONANZA 1023-18J1CS WELL NAME	414" 109°22 109.36' 414" 109°22 5° 109.36' IVE COORD NORTH	'10.077" 9466° '10.206" 9502° INATES -	2245' FNL 2452' FWL 2245' FNL 2442' FWL From Surfa	39°56'5 39.9493 39°57'0 39.9503	57.688" 358° 02.097" 582°	109°22'27.309" 109.374252° 109°22'27.073"	39°56'57.810" 39.949392° 39°57'02.219"	109°22'24.862" 109.373573° 109°22'24.627"	2497' FNL 1300' FWL 2051' FNL
1023-18E4CS 39 BONANZA 39 1023-18E1CS 39 WELL NAME N BONANZA 1023-18J1BS WELL NAME N BONANZA BONANZA	0.950081° 0°57'00.291" 0.950081° NORTH -610.0'	109.37014 109°22'12. 109.37018 EAST 1097.5' EAST	39.950111 651" 39°57'00. 39.950111 WELL NAME BONANZA 1023-18J1CS WELL NAME	109.36 109.36 109.22 109.36 1VE COORD NORTH	9466° '10.206" 9502° INATES -	2452' FWL 2245' FNL 2442' FWL From Surfa	39.9493 39°57'0 39.9503	358°)2.097" 582°	109.374252° 109°22'27.073"	39.949392° 39°57'02.219"	109.373573° 109°22'24.627"	1300' FWL 2051' FNL
WELL NAME N BONANZA 1023-18J1BS WELL NAME N BONANZA	0.950081° NORTH -610.0' NORTH	EAST 1097.51 EAST	RELAT WELL NAME BONANZA 1023-18J1CS WELL NAME	ive coord North	9502° INATES - EAST	2442' FWL From Surfa	39.950	582°				
WELL NAME N BONANZA 1023-18J1BS WELL NAME N BONANZA	NORTH -610.0' NORTH	EAST 1097.5' EAST	RELAT WELL NAME BONANZA 1023-18J1CS WELL NAME	IVE COORD NORTH	INATES -	From Surfa			103.3/410/	33.330010	109.373300	1 13 10 1 11
BONANZA 1023-18J1BS WELL NAME N BONANZA	-610.0'	1097.5 ¹ EAST	WELL NAME BONANZA 1023-18J1CS WELL NAME	NORTH	EAST			⊤to Botto	om Hole			
1023-18J1BS WELL NAME N BONANZA	NORTH	EAST	1023-18J1CS WELL NAME	-934.9	1122		L NAME	NORT		WELL NAM	IE NORTH	EAST
WELL NAME N BONANZA			WELL NAME		1122.	n II	ANZA	-1267	7.9' 1125.4'	BONANZA	-1600.5	1173.3
BONANZA				NORTH	EAST		-18J4BS L NAME	NORT	TH EAST	1023-18J4C	3	<u> </u>
1023-18K1BS				-264.7'	-1151.	BON	ANZA	181.				
			1023-18E4CS	207./	-1131.	1023	-18E1CS	101.	-1123./			
AZ = 269.8 \$89°50'3	6"W	Az=279. °49'15"W. ° Botton =257.055 3'20"W -	179 ₁₇ ° (-1138,24' 1 Hole) 556° 1181,58' Hole)			8K1BS 8E4CS 8E1CS	1023-18J1CS	8J1BS	\$60°50 To \$	SCAL SCAL SCAL SCAL SCAL 10.06556 5041/F. 12.55		.09
WELL PAD	ee Oil & Street - Dei	« Gas C nver, Color JANZA	Onshore, Lado 80202 1023-181	.P		609	N M	- 11	MBERL NGINEERIN	HOOKS STATE OF THE	SSO AZ ZO	*
	PAD INTE							E			SURVEYINC RNAL, UTAH 840	*
	S - BONAN 23-1811CS		. ,	.	CONSI	TT HTING I	ıc	DATE	SURVEYED:			SHEET NO:
BONANZA 102 BONANZA 102			-	' II		J LTING, L rth Main St		10-19	9-11	SURVEYED B	Y: M.S.B.	4 6 5
BONANZA 102	3-18E4CS &	BONANZ	A 1023-18E10	' II	Sherida	ın WY 828	01	DATE 11-09	DRAWN: 0-11	DRAWN BY:	T.J.R.	16B
	D IN SECTI M., UINTAH					307-674-06 07-674-018			CALE: 1" = 60'	Date Last Rev	vised:	16B OF 27

REVISED:









WELL PAD - BONANZA 1023-18F

WELL PAD - CROSS SECTIONS 15 PROPOSED WELLS LOCATED IN SECTION 18, T10S, R23E, S.L.B.&M., UINTAH COUNTY, UTAH



(435) 789-1365 **TIMBERLINE** ENGINEERING & LAND SURVEYING, INC. 209 NORTH 300 WEST - VERNAL, UTAH 84078 REVISED:

HORIZONTAL 1" = 100" **VERTICAL** 1"=100" Date: 11/22/11 SHEET NO: GRB 2/21/12 18

18 OF 27

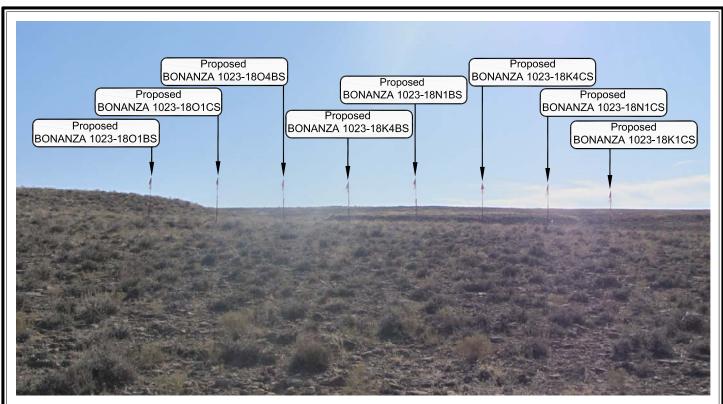
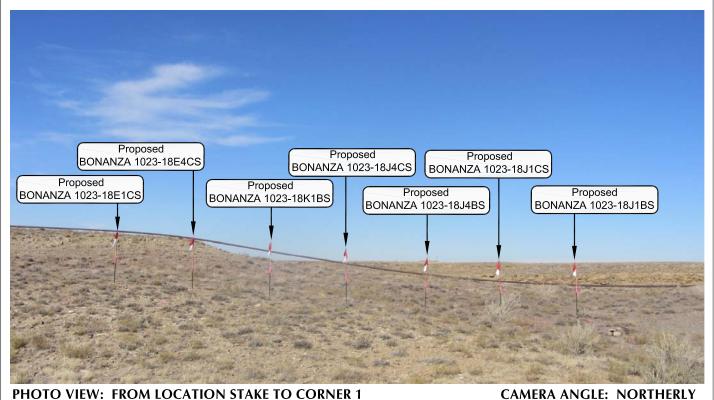


PHOTO VIEW: FROM LOCATION STAKE TO PIT AREA

CAMERA ANGLE: SOUTHERLY



Kerr-McGee Oil & Gas Onshore, LP 1099 18th Street - Denver, Colorado 80202

WELL PAD - BONANZA 1023-18F

LOCATION PHOTOS 15 PROPOSED WELLS LOCATED IN SECTION 18, T10S, R23E, S.L.B.&M., UINTAH COUNTY, UTAH.



CONSULTING, LLC 2155 North Main Street Sheridan WY 82801 Phone 307-674-0609 Fax 307-674-0182

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	TIMBERLIN	JE (4	35) 789-1365
		& LAND SURVEYING WEST - VERNAL, UTAH 84	*
	DATE PHOTOS TAKEN: 10-19-11	PHOTOS TAKEN BY: M.B.	SHEET NO:
	DATE DRAWN: 11-07-11	DRAWN BY: T.J.R.	20A
	Date Last Revised:		20A OF 27



PHOTO VIEW: FROM EXISTING ACCESS ROAD

CAMERA ANGLE: WESTERLY

Kerr-McGee Oil & Gas Onshore, LP 1099 18th Street - Denver, Colorado 80202

WELL PAD - BONANZA 1023-18F

LOCATION PHOTOS 15 PROPOSED WELLS LOCATED IN SECTION 18, T10S, R23E, S.L.B.&M., UINTAH COUNTY, UTAH.



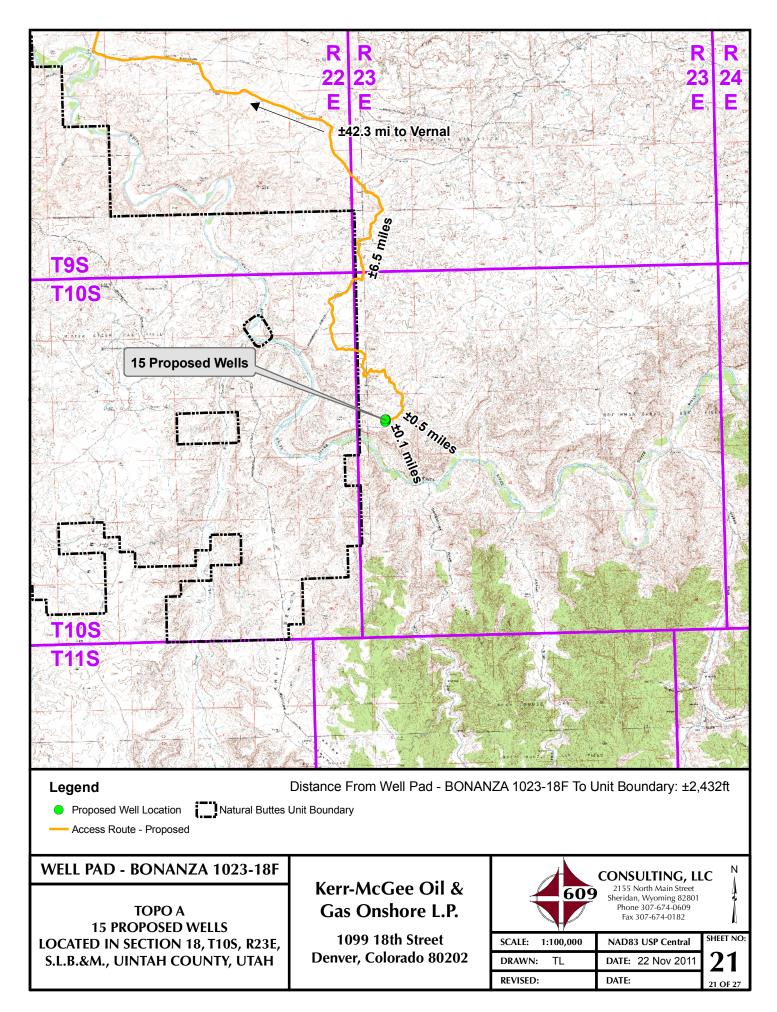
CONSULTING, LLC 2155 North Main Street Sheridan WY 82801 Phone 307-674-0609 Fax 307-674-0182

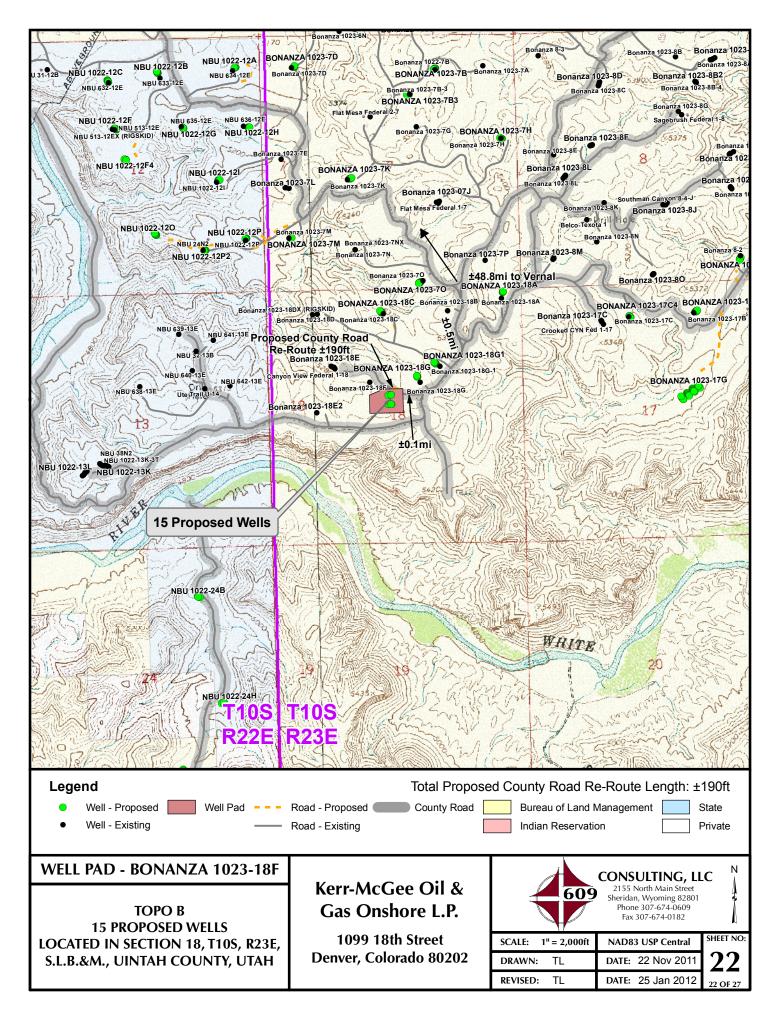
TIMBERLINE

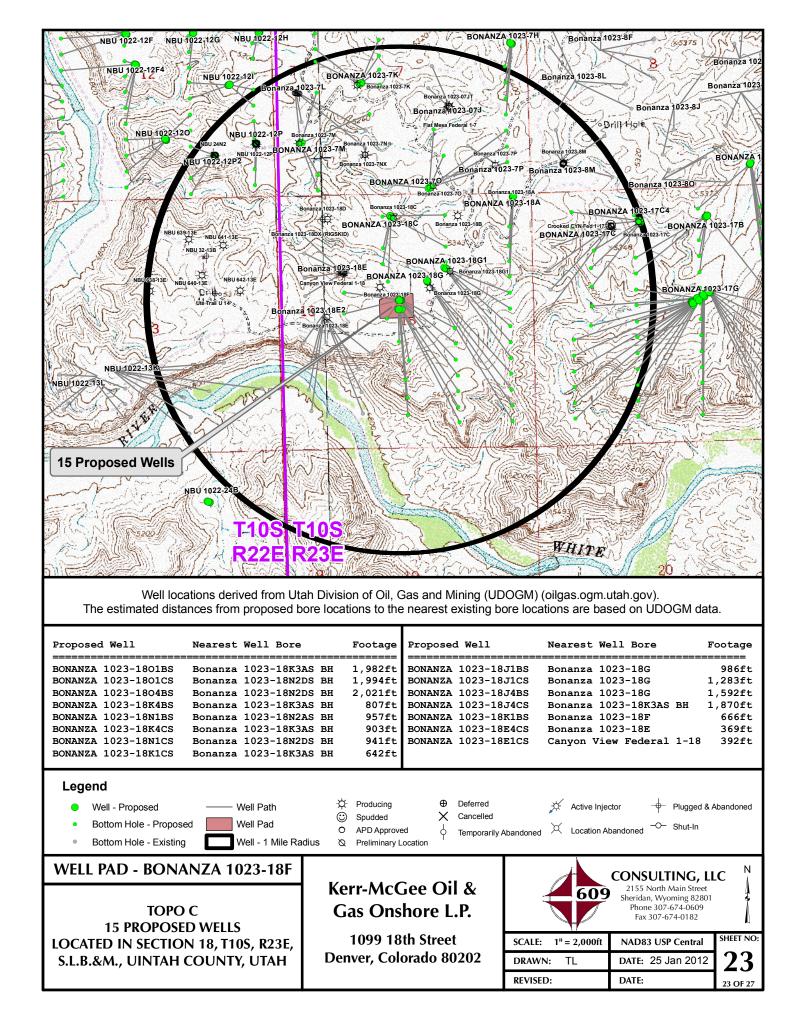
(435) 789-1365

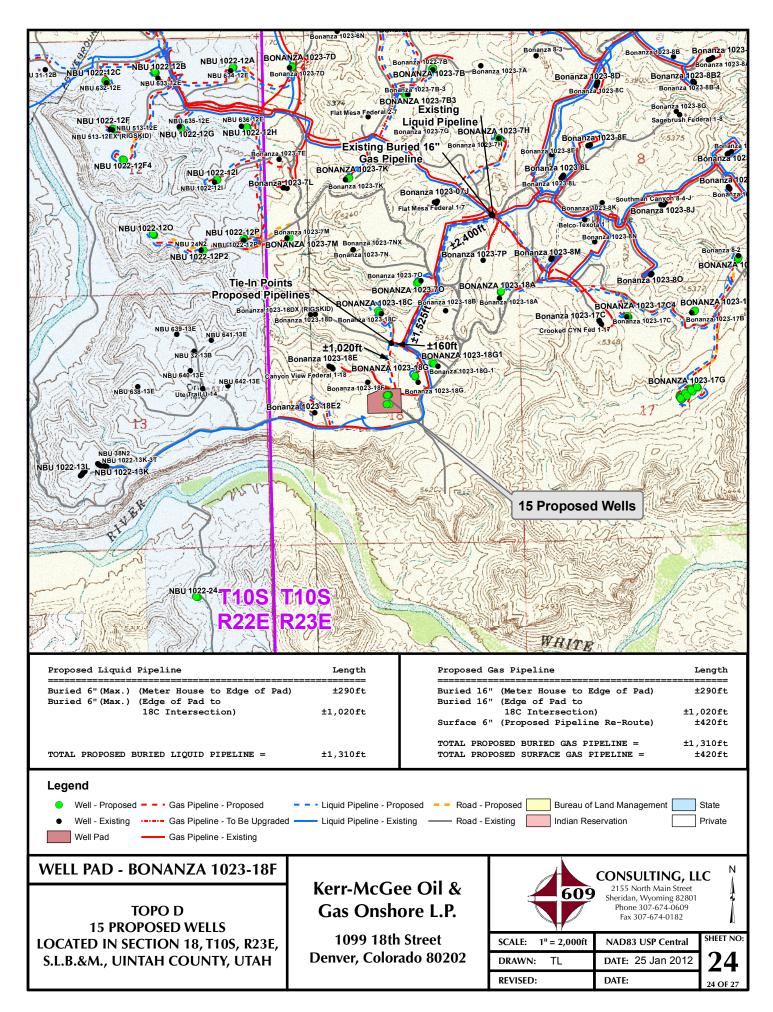
ENGINEERING & LAND SURVEYING, INC. 209 NORTH 300 WEST - VERNAL, UTAH 84078

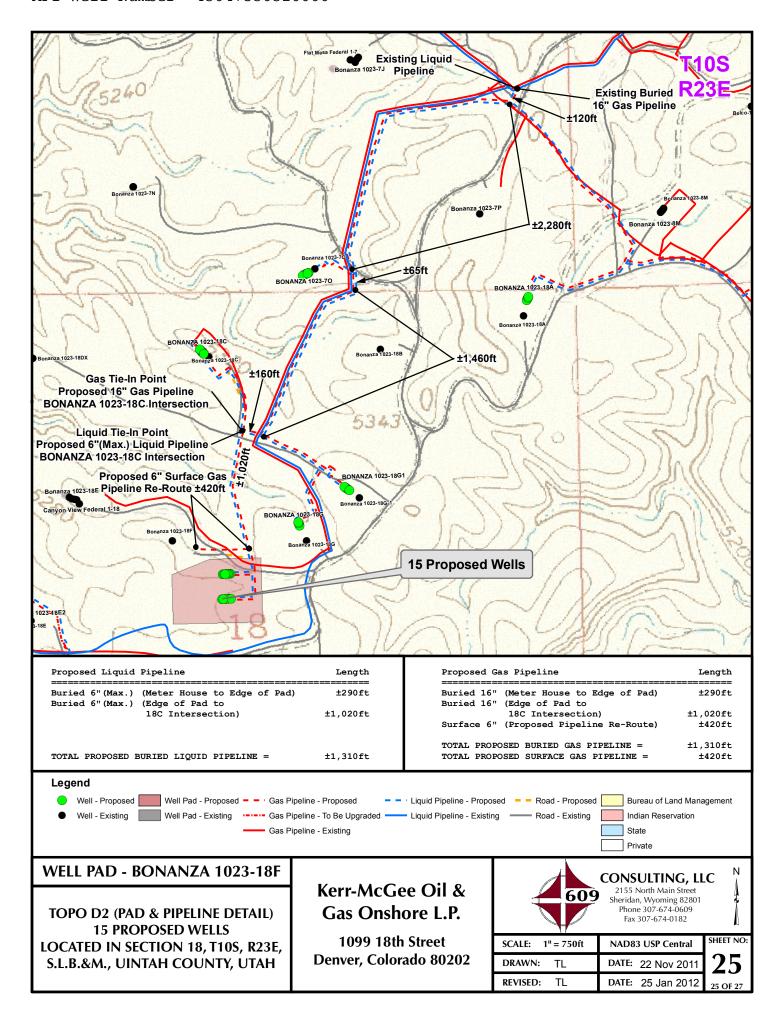
DATE PHOTOS TAKEN: 10-19-11	PHOTOS TAKEN BY: M.B.	SHEET NO:
DATE DRAWN: 11-07-11	DRAWN BY: T.J.R.	20B
Date Last Revised:		20B OF 27

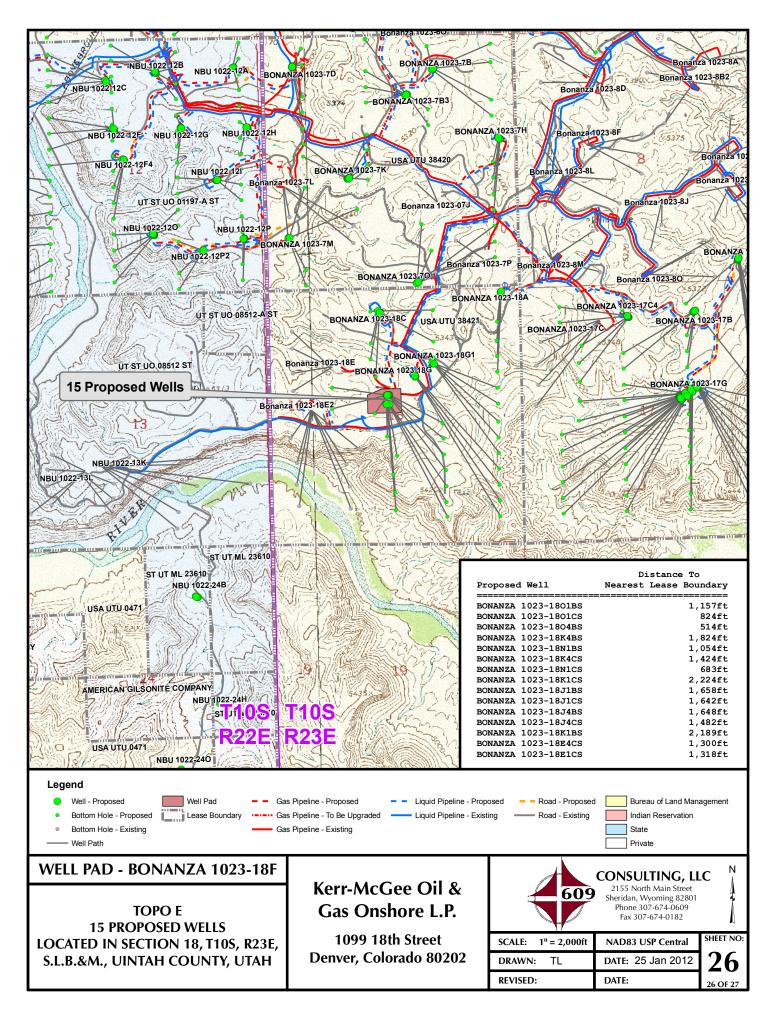


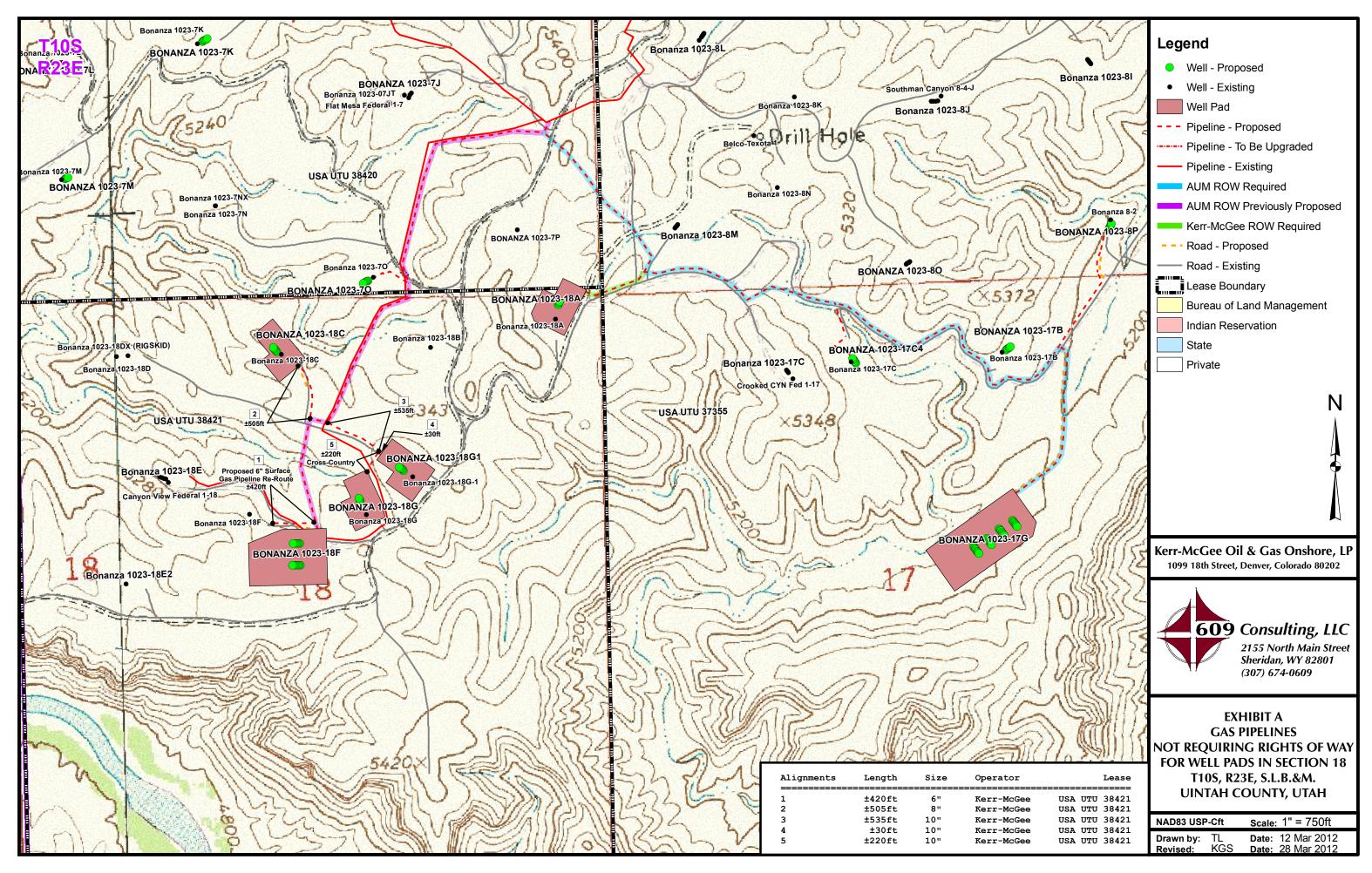


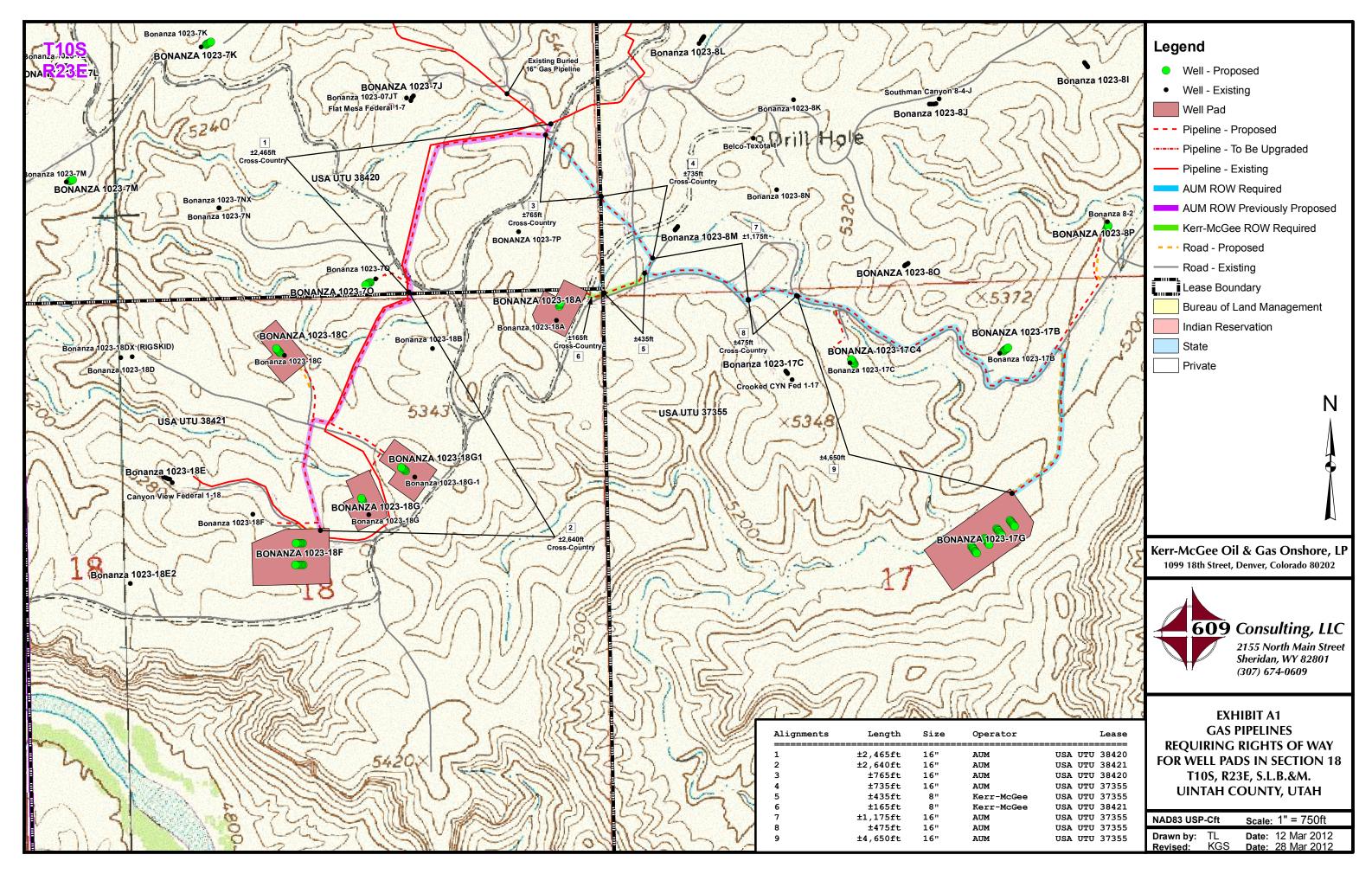


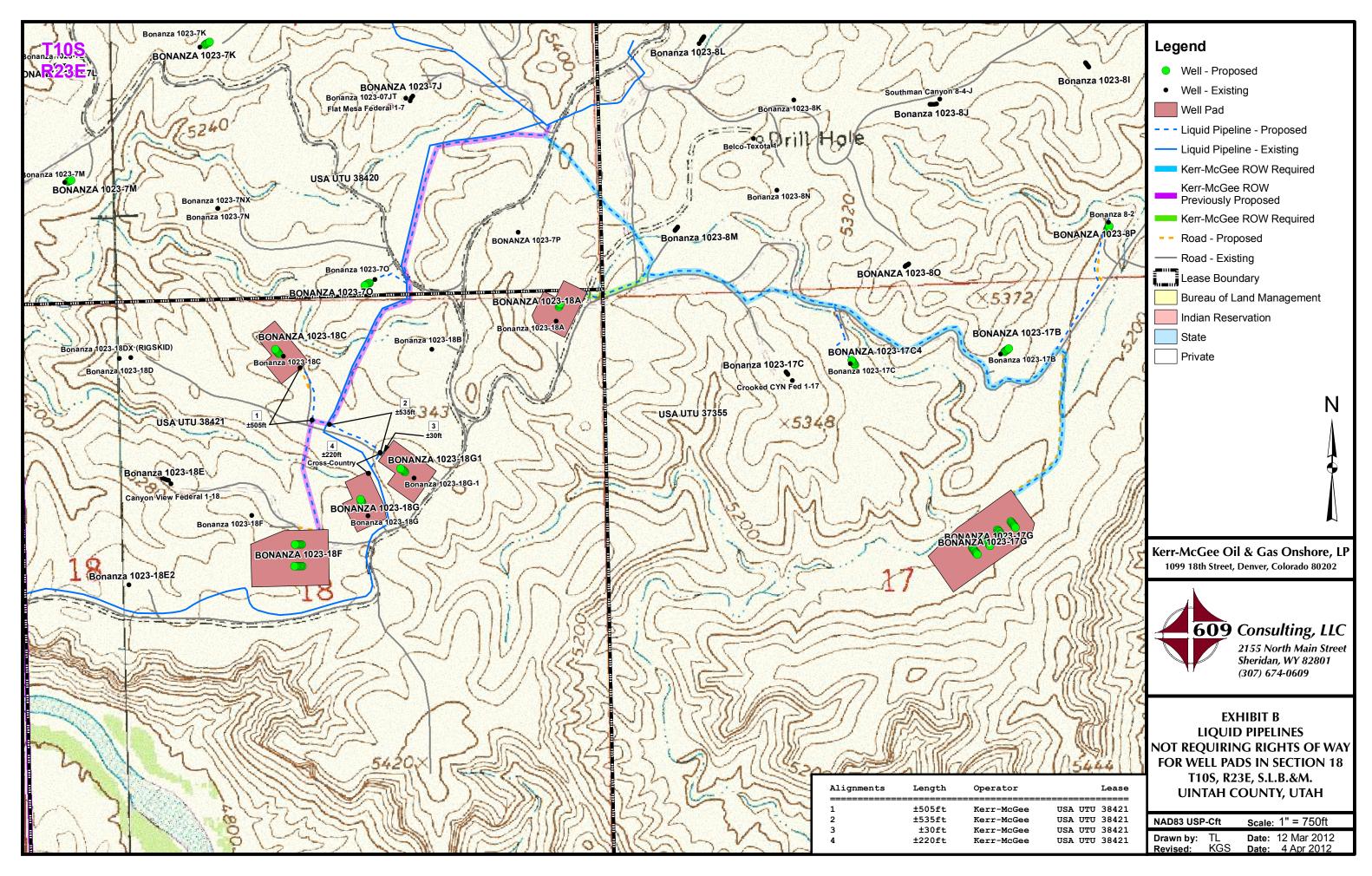


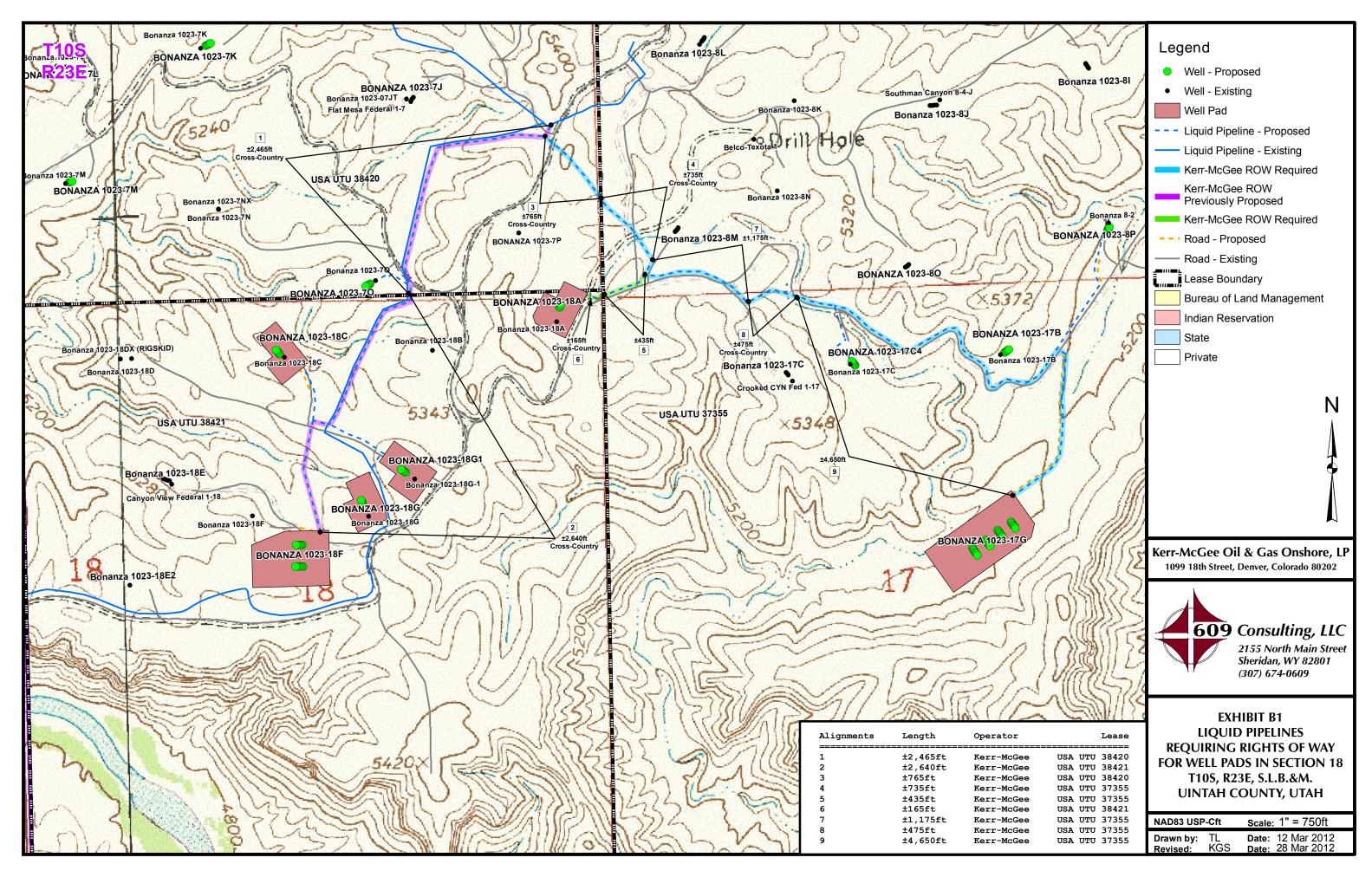


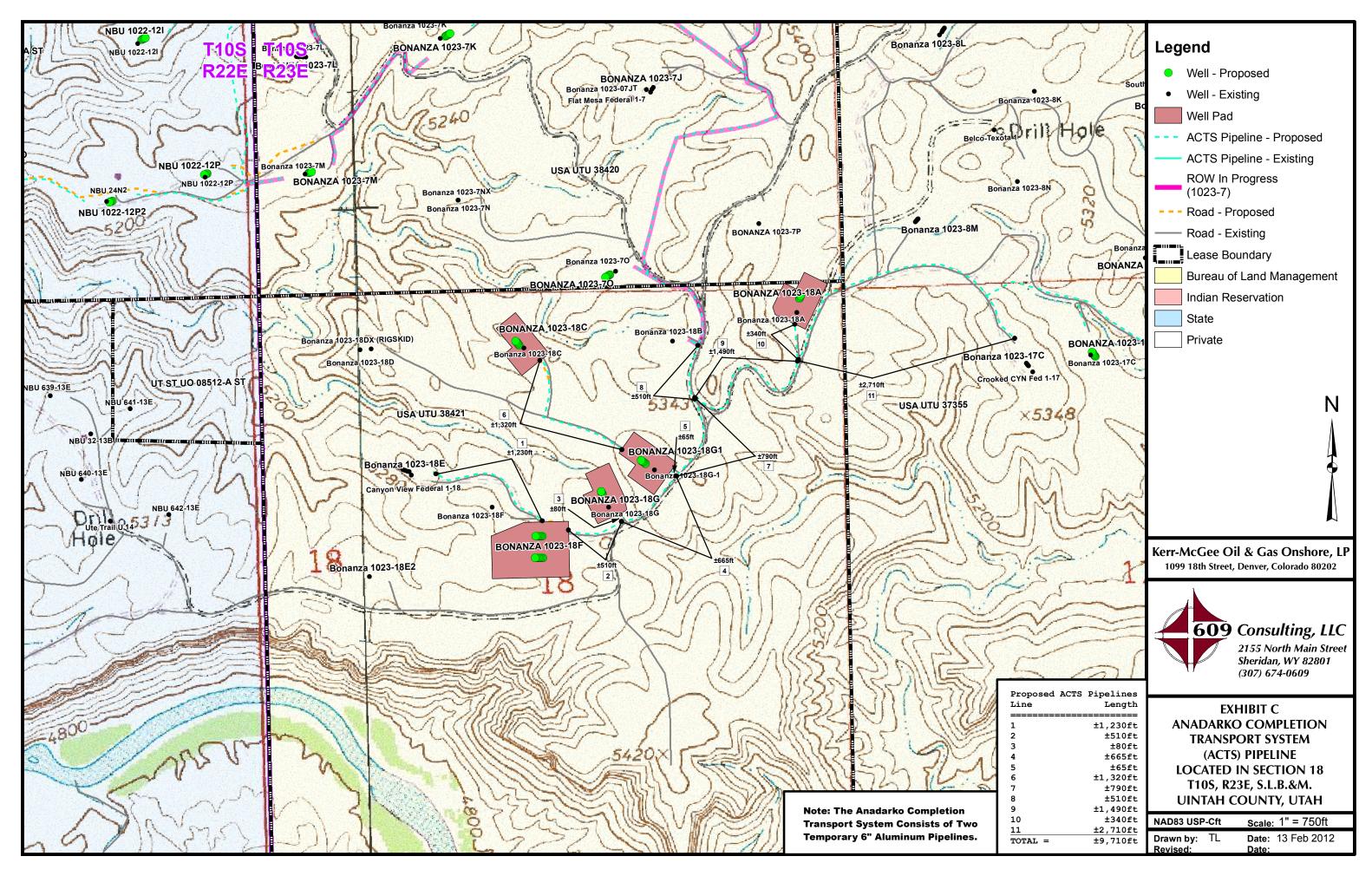












PALEONTOLOGICAL ASSESSMENT FOR BONANZA 1023-18 LIQUID AND GAS PIPELINES UINTAH COUNTY, UTAH

Prepared for

Anadarko Petroleum Corporation

Granite Tower 1099 18th Street #1800

Denver, Colorado 80202

and

Bureau of Land Management

Vernal Field Office 170 South 500 East Vernal, Utah 84078

Prepared by

Justin J. Strauss, M.S., Allison R. Vitkus, B.A., and Paul C. Murphey, Ph.D. Permit UT-06-009C

SWCA Environmental Consultants

2028 West 500 North Vernal, Utah 84078 435.789.9388

November 15, 2011

PALEONTOLOGICAL ASSESSMENT FOR BONANZA 1023-18 ACTS PIPELINES UINTAH COUNTY, UTAH

Prepared for

Anadarko Petroleum Corporation

Granite Tower 1099 18th Street #1800

Denver, Colorado 80202

and

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SWCA Environmental Consultants

2028 West 500 North Vernal, Utah 84078 435.789.9388

January 16, 2012

PALEONTOLOGICAL ASSESSMENT FOR BONANZA 1023-18F UINTAH COUNTY, UTAH

Prepared for

Anadarko Petroleum Corporation

Granite Tower 1099 18th Street #1800

Denver, Colorado 80202

and

Bureau of Land Management

Vernal Field Office 170 South 500 East Vernal, Utah 84078

Prepared by

Justin J. Strauss, M.S., Shawna L. Johnson, M.S., and Paul C. Murphey, Ph.D. Permit UT-06-009C

SWCA Environmental Consultants

2028 West 500 North Vernal, Utah 84078 435.789.9388

November 15, 2011

CLASS I REVIEW OF KERR-MCGEE OIL & GAS
ONSHORE LP'S 115 PROPOSED BONANZA WELL LOCATIONS
(T10S, R23E, SECTIONS 8, 16, 17, AND 18)
IN UINTAH COUNTY, UTAH
(MOAC REPORT NO. 11-371)

By:

Jessica DelBozque

Prepared For:

Bureau of Land Management
Vernal Field Office
and
State of Utah
School and Institutional Trust Lands Administration

Prepared Under Contract With:

Kerr-McGee Oil and Gas Onshore LP 1368 South 1200 East Vernal, Utah 84078

Prepared By:

Montgomery Archaeological Consultants Inc. PO Box 219 Moab, Utah 84532

MOAC Report No. 11-371

January 25, 2012

United States Department of the Interior (FLPMA)
Permit No. 11-UT-60122

Public Lands Policy Coordination Office Archaeological Survey Permit No. 117



Grasslands Consulting, Inc.

4800 Happy Canyon Road, Suite 110, Denver, CO 80237 (303) 759-5377 Office (303) 759-5324 Fax

SPECIAL STATUS PLANT SPECIES REPORT

Report Number: GCI-675

Report Date: December 12, 2011

Operator: Kerr-McGee Oil & Gas Onshore, LP

Operator Contact: Danielle Piernot (Danielle.Piernot@Anadarko.com; 720-929-6156)

Proposed Project: 1023-18 ACTS and liquid pipelines

Project Location: Sections 7, 8, 17, and 18, Township 10 South, Range 23 East, Uintah County,

Utah

Survey Species: Uinta Basin hookless cactus (Sclerocactus wetlandicus), Spanish bayonet

(Yucca sterilis), and noxious weeds

Survey Dates: November 15, 16, and 17, 2011

Observers: Grasslands Consulting, Inc. Biologists Dan Hamilton, Adrienne Cunningham, Jon Sexauer, Tim Horgan-Kobelski, Josh Christensen, Liana Cabiles, Mike Wilder, and field

technicians



Grasslands Consulting, Inc.

4800 Happy Canyon Road, Suite 110, Denver, CO 80237 (303) 759-5377 Office (303) 759-5324 Fax

SPECIAL STATUS PLANT SPECIES REPORT

Report Number: GCI-678

Report Date: December 12, 2011

Operator: Kerr-McGee Oil & Gas Onshore, LP

Operator Contact: Danielle Piernot (Danielle.Piernot@Anadarko.com; 720-929-6156)

Proposed Project: Bonanza 1023-18F (including access road, pipeline, pipeline reroute, and well pad to accommodate the Bonanza 1023-18E1CS, Bonanza 1023-18E4CS, Bonanza 1023-18J1BS, Bonanza 1023-18J1CS, Bonanza 1023-18J4BS, Bonanza 1023-18J4CS, Bonanza 1023-18K1BS, Bonanza 1023-18K1CS, Bonanza 1023-18K4BS, Bonanza 1023-18K4CS, Bonanza 1023-18N1BS, Bonanza 1023-18N1CS, Bonanza 1023-18O1BS, Bonanza 1023-18O1CS, and Bonanza 1023-18O4BS well bores)

Well Pad Location: SE ¼ of the NW ¼ of Section 18, Township 10 South, Range 23 East, Uintah County, Utah

Survey Species: Uinta Basin hookless cactus (*Sclerocactus wetlandicus*), Spanish bayonet (*Yucca sterilis*), and noxious weeds

Survey Dates: November 15, 16, and 17, 2011

Observers: Grasslands Consulting, Inc. Biologists Dan Hamilton, Jon Sexauer, Adrienne, Liana Cabiles, Mike Wilder, and field technicians



US ROCKIES REGION PLANNING

UTAH - UTM (feet), NAD27, Zone 12N BONANZA 1023-18F PAD BONANZA 1023-18N1CS

OH

Plan: PLAN #1 PRELIMINARY

Standard Planning Report

27 March, 2012



API Well Number: 43047 Project Outland - UTM (feet), NAD27, Zone 12N

V Wellb

Scientific Drilling

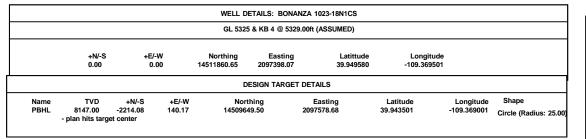
Rocky Mountain Operations

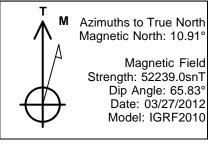
Site: BONANZA 1023-18F PAD Well: BONANZA 1023-18N1CS

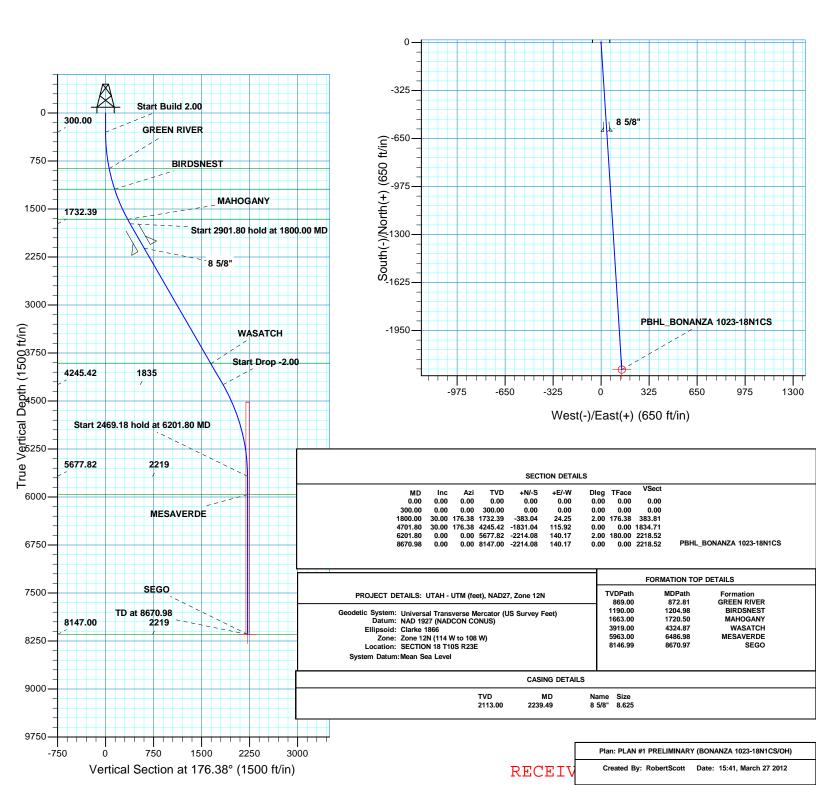
Wellbore: OH

Design: PLAN #1 PRELIMINARY











SDI Planning Report



EDM5000-RobertS-Local Database:

Company: US ROCKIES REGION PLANNING Project: UTAH - UTM (feet), NAD27, Zone 12N

BONANZA 1023-18F PAD Site: Well: **BONANZA 1023-18N1CS**

Wellbore: ОН

Map Zone:

PLAN #1 PRELIMINARY Design:

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well BONANZA 1023-18N1CS

GL 5325 & KB 4 @ 5329.00ft (ASSUMED) GL 5325 & KB 4 @ 5329.00ft (ASSUMED)

True

Minimum Curvature

Project UTAH - UTM (feet), NAD27, Zone 12N

Map System: Universal Transverse Mercator (US Survey Feet)

NAD 1927 (NADCON CONUS) Geo Datum: Zone 12N (114 W to 108 W)

Mean Sea Level

BONANZA 1023-18F PAD, SECTION 18 T10S R23E Site

Northing: 14,511,860.47 usft Site Position: Latitude: 39.949580 From: Lat/Long Easting: 2,097,388.25 usft Longitude: -109.369536 **Position Uncertainty:** 0.00 ft Slot Radius: **Grid Convergence:** 1.05 13.200 in

System Datum:

Well BONANZA 1023-18N1CS, 2440 FNL 2442 FWL

Well Position +N/-S 0.00 ft 14,511,860.65 usft Latitude: 39.949580 Northing: +E/-W 9.81 ft Easting: 2,097,398.06 usft Longitude: -109.369501

0.00 ft Wellhead Elevation: **Ground Level:** 5,325.00 ft **Position Uncertainty**

Wellbore ОН Magnetics **Model Name** Sample Date Declination Dip Angle Field Strength (nT) (°) (°) IGRF2010 03/27/12 10.91 65.83 52.239

PLAN #1 PRELIMINARY Design Audit Notes: Version: Phase: PLAN Tie On Depth: 0.00 Vertical Section: Depth From (TVD) +N/-S +E/-W Direction (ft) (ft) (ft) (°) 0.00 0.00 0.00 176.38

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,800.00	30.00	176.38	1,732.39	-383.04	24.25	2.00	2.00	0.00	176.38	
4,701.80	30.00	176.38	4,245.42	-1,831.04	115.92	0.00	0.00	0.00	0.00	
6,201.80	0.00	0.00	5,677.82	-2,214.08	140.17	2.00	-2.00	0.00	180.00	
8,670.98	0.00	0.00	8,147.00	-2,214.08	140.17	0.00	0.00	0.00	0.00 PE	BHL_BONANZA 10



SDIPlanning Report



Database: EDM5000-RobertS-Local

Company: US ROCKIES REGION PLANNING

 Project:
 UTAH - UTM (feet), NAD27, Zone 12N

 Site:
 BONANZA 1023-18F PAD

Well: BONANZA 1023-18N1CS

Wellbore: OH

Design: PLAN #1 PRELIMINARY

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well BONANZA 1023-18N1CS

GL 5325 & KB 4 @ 5329.00ft (ASSUMED) GL 5325 & KB 4 @ 5329.00ft (ASSUMED)

True

Minimum Curvature

Design:	PLAN #1 PRE	LIMINARY							
Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
Start Build 2.0 400.00	2.00	176.38	399.98	-1.74	0.11	1.75	2.00	2.00	0.00
500.00	4.00	176.38	499.84	-6.96	0.44	6.98	2.00	2.00	0.00
600.00	6.00	176.38	599.45	-15.66	0.99	15.69	2.00	2.00	0.00
700.00	8.00	176.38	698.70	-27.82	1.76	27.88	2.00	2.00	0.00
800.00	10.00	176.38	797.47	-43.44	2.75	43.52	2.00	2.00	0.00
872.81	11.46	176.38	869.00	-56.96	3.61	57.08	2.00	2.00	0.00
GREEN RIVER	R								
900.00	12.00	176.38	895.62	-62.48	3.96	62.60	2.00	2.00	0.00
1,000.00	14.00	176.38	993.06	-84.93	5.38	85.10	2.00	2.00	0.00
1,100.00	16.00	176.38	1,089.64	-110.76	7.01	110.98	2.00	2.00	0.00
1,200.00	18.00	176.38	1,185.27	-139.93	8.86	140.21	2.00	2.00	0.00
1,204.98	18.10	176.38	1,190.00	-141.47	8.96	141.75	2.00	2.00	0.00
BIRDSNEST			.,						
1,300.00	20.00	176.38	1,279.82	-172.42	10.92	172.77	2.00	2.00	0.00
1,400.00	22.00	176.38	1,373.17	-208.19	13.18	208.60	2.00	2.00	0.00
1,500.00	24.00	176.38	1,465.21	-247.18	15.65	247.67	2.00	2.00	0.00
1,600.00	26.00	176.38	1,555.84	-289.35	18.32	289.93	2.00	2.00	0.00
1,700.00	28.00	176.38	1,644.94	-334.66	21.19	335.33	2.00	2.00	0.00
1,720.50	28.41	176.38	1,663.00	-344.33	21.80	345.02	2.00	2.00	0.00
MAHOGANY									
1,800.00	30.00 hold at 1800.00	176.38	1,732.39	-383.04	24.25	383.81	2.00	2.00	0.00
1,900.00	30.00	176.38	1,819.00	-432.94	27.41	433.81	0.00	0.00	0.00
2,000.00	30.00	176.38	1,905.60	-482.84	30.57	483.81	0.00	0.00	0.00
2,100.00	30.00	176.38	1,992.20	-532.74	33.73	533.81	0.00	0.00	0.00
2,200.00	30.00	176.38	2,078.80	-582.64	36.89	583.81	0.00	0.00	0.00
2,239.49 8 5/8"	30.00	176.38	2,113.00	-602.35	38.13	603.55	0.00	0.00	0.00
2,300.00	30.00	176.38	2,165.41	-632.54	40.05	633.81	0.00	0.00	0.00
2,400.00	30.00	176.38	2,252.01	-682.44	43.21	683.81	0.00	0.00	0.00
2,500.00	30.00	176.38	2,338.61	-732.34	46.36	733.81	0.00	0.00	0.00
2,600.00	30.00	176.38	2,425.21	-782.24	49.52	783.81	0.00	0.00	0.00
2,700.00	30.00	176.38	2,511.82	-832.14	52.68	833.81	0.00	0.00	0.00
2,800.00	30.00	176.38	2,598.42	-882.04	55.84	883.81	0.00	0.00	0.00
2,900.00	30.00	176.38	2,685.02	-931.94	59.00	933.81	0.00	0.00	0.00
3,000.00	30.00	176.38	2,771.63	-981.84	62.16	983.81	0.00	0.00	0.00
3,100.00	30.00	176.38	2,858.23	-1,031.74	65.32	1,033.81	0.00	0.00	0.00
3,200.00	30.00	176.38	2,944.83	-1,081.64	68.48	1,083.81	0.00	0.00	0.00
3,300.00	30.00	176.38	3,031.43	-1,131.54	71.64	1,133.81	0.00	0.00	0.00
3,400.00	30.00	176.38	3,118.04	-1,181.44	74.80	1,183.81	0.00	0.00	0.00
3,500.00	30.00	176.38	3,204.64	-1,231.34	77.96	1,233.81	0.00	0.00	0.00
3,600.00	30.00	176.38	3,291.24	-1,281.24	81.12	1,283.81	0.00	0.00	0.00
3,700.00	30.00	176.38	3,377.84	-1,331.14	84.27	1,333.81	0.00	0.00	0.00
3,800.00	30.00	176.38	3,464.45	-1,381.04	87.43	1,383.81	0.00	0.00	0.00
3,900.00	30.00	176.38	3,551.05	-1,430.94	90.59	1,433.81	0.00	0.00	0.00
4,000.00	30.00	176.38	3,637.65	-1,480.84	93.75	1,483.81	0.00	0.00	0.00
4,100.00	30.00	176.38	3,724.25	-1,530.74	96.91	1,533.81	0.00	0.00	0.00
4,200.00	30.00	176.38	3,810.86	-1,580.64	100.07	1,583.81	0.00	0.00	0.00



SDIPlanning Report



Database: EDM5000-RobertS-Local Company: US ROCKIES REGION P

US ROCKIES REGION PLANNING
UTAH - UTM (feet), NAD27, Zone 12N

 Site:
 BONANZA 1023-18F PAD

 Well:
 BONANZA 1023-18N1CS

Wellbore: OH

Project:

Design: PLAN #1 PRELIMINARY

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well BONANZA 1023-18N1CS

GL 5325 & KB 4 @ 5329.00ft (ASSUMED) GL 5325 & KB 4 @ 5329.00ft (ASSUMED)

True

Minimum Curvature

Design:	PLAN #1 PRE	LIMINARY							
Planned Survey									
Pianneu Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
4,300.00 4,324.87	30.00 30.00	176.38 176.38	3,897.46 3,919.00	-1,630.54 -1,642.96	103.23 104.02	1,633.81 1,646.25	0.00 0.00	0.00 0.00	0.00 0.00
WASATCH 4,400.00	30.00	176.38	3,984.06	-1,680.44	106.39	1,683.81	0.00	0.00	0.00
4,500.00	30.00	176.38	4,070.66	-1,730.34	109.55	1,733.81	0.00	0.00	0.00
4,600.00 4,700.00	30.00 30.00	176.38 176.38	4,157.27 4,243.87	-1,780.24 -1,830.14	112.71 115.87	1,783.81 1,833.81	0.00 0.00	0.00	0.00 0.00
4,701.80	30.00	176.38	4,245.42	-1,831.04	115.92	1,834.71	0.00	0.00	0.00
Start Drop -		470.00	4 004 00	4 070 50	110.00	4 000 04	0.00	0.00	0.00
4,800.00	28.04	176.38	4,331.30	-1,878.58	118.93	1,882.34	2.00	-2.00	0.00
4,900.00	26.04	176.38	4,420.36	-1,923.94	121.80	1,927.79	2.00	-2.00	0.00
5,000.00	24.04	176.38	4,510.96	-1,966.17	124.48	1,970.11	2.00	-2.00	0.00
5,100.00	22.04	176.38	4,602.98	-2,005.23	126.95	2,009.24	2.00	-2.00	0.00
5,200.00	20.04	176.38	4,696.32	-2,041.05	129.22	2,045.13	2.00	-2.00	0.00
5,300.00	18.04	176.38	4,790.84	-2,073.60	131.28	2,077.75	2.00	-2.00	0.00
5,400.00	16.04	176.38	4,886.45	-2,102.83	133.13	2,107.04	2.00	-2.00	0.00
5,500.00	14.04	176.38	4,983.02	-2,128.72	134.77	2,132.98	2.00	-2.00	0.00
5,600.00	12.04	176.38	5,080.44	-2,151.23	136.19	2,155.54	2.00	-2.00	0.00
5,700.00	10.04	176.38	5,178.58	-2,170.34	137.40	2,174.68	2.00	-2.00	0.00
5,800.00	8.04	176.38	5,277.34	-2,186.01	138.40	2,190.39	2.00	-2.00	0.00
5,900.00	6.04	176.38	5,376.58	-2,198.23	139.17	2,202.63	2.00	-2.00	0.00
6,000.00	4.04	176.38	5,476.19	-2,206.99	139.72	2,211.41	2.00	-2.00	0.00
6,100.00	2.04	176.38	5,576.04	-2,212.28	140.06	2,216.71	2.00	-2.00	0.00
6,200.00	0.04	176.38	5,676.02	-2,214.08	140.17	2,218.52	2.00	-2.00	0.00
6,201.80	0.00	0.00	5,677.82	-2,214.08	140.17	2,218.52	2.00	-2.00	0.00
Start 2469.1	18 hold at 6201.8								
6,300.00	0.00 0.00	0.00 0.00	5,776.02 5,876.02	-2,214.08 -2,214.08	140.17	2,218.52	0.00 0.00	0.00 0.00	0.00 0.00
6,400.00 6,486.98	0.00	0.00	5,963.00	-2,214.06 -2,214.08	140.17 140.17	2,218.52 2,218.52	0.00	0.00	0.00
MESAVERD	DE								
6,500.00	0.00	0.00	5,976.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
6,600.00	0.00	0.00	6,076.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
6,700.00	0.00	0.00	6,176.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
6,800.00	0.00	0.00	6,276.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
6,900.00	0.00	0.00	6,376.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
7,000.00	0.00	0.00	6,476.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
7,100.00	0.00	0.00	6,576.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
7,200.00	0.00	0.00	6,676.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
7,300.00	0.00	0.00	6,776.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
7,400.00	0.00	0.00	6,876.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
7,500.00	0.00	0.00	6,976.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
7,600.00	0.00	0.00	7,076.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
7,700.00	0.00	0.00	7,176.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
7,800.00	0.00	0.00	7,276.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
7,900.00	0.00	0.00	7,376.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
8,000.00	0.00	0.00	7,476.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
8,100.00	0.00	0.00	7,576.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
8,200.00	0.00	0.00	7,676.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
8,300.00	0.00	0.00	7,776.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
8,400.00	0.00	0.00	7,876.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
8,500.00	0.00	0.00	7,976.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
8,600.00	0.00	0.00	8,076.02	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
8,670.97	0.00	0.00	8,146.99	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
-,			-,	,		,			

API Well Number: 43047530320000



SDI Planning Report



Database: Company: Project:

EDM5000-RobertS-Local

US ROCKIES REGION PLANNING UTAH - UTM (feet), NAD27, Zone 12N

BONANZA 1023-18F PAD Site: **BONANZA 1023-18N1CS**

Well: Wellbore:

ОН

Design: PLAN #1 PRELIMINARY Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well BONANZA 1023-18N1CS

GL 5325 & KB 4 @ 5329.00ft (ASSUMED) GL 5325 & KB 4 @ 5329.00ft (ASSUMED)

True

Minimum Curvature

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
SEGO									
8,670.98	0.00	0.00	8,147.00	-2,214.08	140.17	2,218.52	0.00	0.00	0.00
PBHL_BON	ANZA 1023-18N1	ICS							

Design Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PBHL_BONANZA 1023- - plan hits target cen - Circle (radius 25.00		0.00	8,147.00	-2,214.08	140.17	14,509,649.50	2,097,578.68	39.943501	-109.369001

Casing Points						
	Measured	Vertical		Casing	Hole	
	Depth	Depth		Diameter	Diameter	
	(ft)	(ft)	Name	(in)	(in)	
	2,239.49	2,113.00 8 5/8"		8.625	11.000	

Formations						
	Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
	872.81	869.00	GREEN RIVER			
	1,204.98	1,190.00	BIRDSNEST			
	1,720.50	1,663.00	MAHOGANY			
	4,324.87	3,919.00	WASATCH			
	6,486.98	5,963.00	MESAVERDE			
	8,670.97	8,146.99	SEGO		0.00	

Plan Annotations				
Measured	Vertical	Local Coor	dinates	
Depth	Depth	+N/-S	+E/-W	
(ft)	(ft)	(ft)	(ft)	Comment
300.00	300.00	0.00	0.00	Start Build 2.00
1,800.00	1,732.39	-383.04	24.25	Start 2901.80 hold at 1800.00 MD
4,701.80	4,245.42	-1,831.04	115.92	Start Drop -2.00
6,201.80	5,677.82	-2,214.08	140.17	Start 2469.18 hold at 6201.80 MD
8,670.98	8,147.00	-2,214.08	140.17	TD at 8670.98

Surface Use Plan of Operations 1 of 14

Bonanza 1023-18F Pad

Kerr-McGee Oil & Gas Onshore. L.P.

BONANZA 1023-18F PAD

<u>API #</u>		BONANZA 1023-18E1CS		
	Surface:	2245 FNL / 2442 FWL	SENW	Lot
	BHL:	2051 FNL / 1318 FWL	SENW	Lot
API#		BONANZA 1023-18E4CS		
	Surface:	2245 FNL / 2452 FWL	SENW	Lot
	BHL:	2497 FNL / 1300 FWL	SWNW	Lot 2
<u>API #</u>	i	BONANZA 1023-18J1BS		
		2246 FNL / 2502 FWL	SENW	Lot
	BHL:	2473 FSL / 1658 FEL	NWSE	Lot
<u>API #</u>		BONANZA 1023-18J1CS		
	Surface:	2246 FNL / 2492 FWL	SENW	Lot
	BHL:	2148 FSL / 1642 FEL	NWSE	Lot
API#		BONANZA 1023-18J4BS		
<u></u>		2246 FNL / 2482 FWL	SENW	Lot
		1815 FSL / 1648 FEL	NWSE	Lot
	5	10101027 1010122		LOT
<u>API #</u>		BONANZA 1023-18J4CS		
	Surface:	2246 FNL / 2472 FWL	SENW	Lot
	BHL:	1482 FSL / 1609 FEL	NWSE	Lot
<u>API #</u>		BONANZA 1023-18K1BS		
	Surface:	2245 FNL / 2462 FWL	SENW	Lot
	BHL:	2626 FNL / 2189 FWL	SENW	Lot
4 D1 //		DOMANIZA 4000 40V400		
<u>API #</u>		BONANZA 1023-18K1CS	CENIVA/	
		2440 FNL / 2432 FWL	SENW	Lot
	BHL:	2224 FSL / 2436 FWL	NESW	Lot
<u>API #</u>		BONANZA 1023-18K4BS		
	Surface:	2441 FNL / 2472 FWL	SENW	Lot
	BHL:	1824 FSL / 2624 FEL	NWSE	Lot
API#		BONANZA 1023-18K4CS		
<u></u>	Surface:		SENW	Lot
		1424 FSL / 2547 FWL	NESW	Lot
				201
<u>API #</u>		BONANZA 1023-18N1BS		
	Surface:		SENW	Lot
	BHL:	1054 FSL / 2577 FWL	SESW	Lot

Surface Use Plan of Operations 2 of 14

Bonanza 1023-18F Pad

<u>API #</u>		BONANZA 1023-18N1CS		
	Surface:	2440 FNL / 2442 FWL	SENW	Lot
	BHL:	683 FSL / 2584 FWL	SESW	Lot
<u>API #</u>	1	BONANZA 1023-18O1BS		
	Surface:	2441 FNL / 2502 FWL	SENW	Lot
	BHL:	1157 FSL / 1607 FEL	SWSE	Lot
<u>API #</u>	1	BONANZA 1023-18O1CS		
	Surface:	2441 FNL / 2492 FWL	SENW	Lot
	BHL:	824 FSL / 1613 FEL	SWSE	Lot
<u>API #</u>	<u>_</u>	BONANZA 1023-18O4BS		
	Surface:	2441 FNL / 2482 FWL	SENW	Lot
	BHL:	514 FSL / 1596 FEL	SWSE	Lot

This Surface Use Plan of Operations (SUPO) or 13-point plan provides site-specific information for the above-referenced wells.

In accordance with Utah Oil & Gas Conservation Rule R649-3-11 pertaining to Directional Drilling, these wells will be directionally drilled. Refer to Topo Map A for directions to the location and Topo Maps A and B for location of access roads within a 2-mile radius.

An on-site meeting was held on December 14, 2011. Present were:

- · David Gordon, Tyler Cox, Dan Emmett, Melissa Wardle BLM;
- Jacob Dunham 609 Consulting;
- · John Slaugh, Mitch Batty Timberline Engineering & Land Surveying, Inc.; and
- · Danielle Piernot, Doyle Holmes, Grizz Oleen, Sheila Wopsock Kerr-McGee

A. Existing Roads:

Existing roads consist of county and improved/unimproved access roads (two-tracks). In accordance with Onshore Order #1, Kerr-McGee will, in accordance with BMPs, improve or maintain existing roads in a condition that is the same as or better than before operations began. New or reconstructed proposed access roads are discussed in Section B.

The existing roads will be maintained in a safe and usable condition. Maintenance for existing roads will continue until final abandonment and reclamation of well pads and/or other facilities, as applicable. Road maintenance will include, but is not limited to, blading, ditching, and/or culvert installation and cleanout. To ensure safe operating conditions, gravel surfacing will be performed where excessive rutting or erosion may occur. Dust control will be performed as necessary to ensure safe operating conditions. The existing road will be modified to be 50' wide.

Roads, gathering lines and electrical distribution lines will occupy common disturbance corridors where possible. Where available, roadways will be used as the staging area and working space for installation of gathering lines. All disturbances located in the same corridor will overlap each other to the maximum extent possible, while maintaining safe and sound construction and installation practices. Unless otherwise approved or requested in site specific documents, in no case will the maximum disturbance widths of the access road and utility corridors exceed the widths specified in Part D of this document.

Please refer to Topo B, for existing roads.

B. New or Reconstructed Access Roads:

All new or reconstructed roads will be located, designed, and maintained to meet the standards of the BLM. BMPs. Described in the BLM's Surface Operating Standards for Oil and Gas Exploration and Development, 4th Edition (Gold Book) (USDI and USDA, 2007) and/or BLM Manual Section 9113 (1985) will be considered in consultation with the BLM in the design, construction, improvement and maintenance of all new or reconstructed roads. If a new road would cross a water of the United States, Kerr-McGee will adhere to the requirements of applicable Nationwide Permits of the Department of Army Corps of Engineers.

Each new well pad or pad expansion may require construction of a new access road and/or de-commissioning of an older road. Plans, routes, and distances for new roads and road improvements are provided in design packages, exhibits and maps for a project. Project-specific maps are submitted to depict the locations of existing, proposed, and/or decommissioned and include the locations for supporting structures, including, but not limited to, culverts, bridges, low water crossings, range infrastructure, and haul routes, as per OSO 1. Designs for cuts and fills, including spoils source and storage areas, are provided with the road designs, as necessary.

Where safety objectives can be met. As applicable, Kerr-McGee may use unimproved and/or two-track roads for lease operations, to lessen total disturbance.

Road designs will be based on the road safety requirements, traffic characteristics, environmental conditions, and the vehicles the road is intended to carry. Generally, newly constructed unpaved lease roads will be crowned and ditched with the running surfaces of the roads approximately 12-18 feet wide and a total road corridor width not to exceed 45 feet, except where noted in the road design for a specific project. Maximum grade will generally not exceed 8%. Borrow ditches will be back sloped 3:1 or less. Construction BMPs will be employed to control onsite and offsite erosion.

Where topography would direct storm water runoff to an access road or well pad, drainage ditches or other common drainage control facilities, such as V- or wing-ditches, will be constructed to divert surface water runoff. Drainage features, including culverts, will be constructed or installed prior to commencing other operations, including drilling or facilities placement. Riprap will be placed at the inlet and outlet at the culvert(s), as necessary.

Prior to construction, new access road(s) will be staked according to the requirements of OSO 1. Construction activity will not be conducted using frozen or saturated materials or during periods when significant watershed damage (e.g. rutting, extensive sheet soil erosion, formation of rills/gullies, etc.) is likely to occur. Vegetative debris will not be placed in or under fill embankments.

New road maintenance will include, but is not limited to, blading, ditching, culvert installation and cleanout, gravel surfacing where excessive rutting or erosion may occur and dust control, as necessary to ensure safe operating conditions. All vehicular traffic, personnel movement, construction/restoration operations will be confined to the approved area and to existing roadways and/or access routes.

Snow removal will be conducted on an as-needed basis to accommodate safe travel. Snow removal will occur as necessary throughout the year, as will necessary drainage ditch construction. Removed snow may be stored on permitted well pads to reduce hauling distances and/or at the aerial extent of approved disturbance boundaries to facilitate snow removal for the remainder of the season.

If a county road crossing or encroachment permit is needed, it will be obtained prior to construction.

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Bonanza 1023-18F Pad

The following road segments are "on-lease"

 $\pm 190^{\circ}$ (0.04 miles) – Section 18 T10S R23E (SE/4 NW/4) – On-lease UTU-38421, BLM Surface, county road re-route off of the north edge of the pad and merging with the existing road to the north. The existing road will be modified to include a total road corridor of 50'. Please refer to Topo B.

C. Location of Existing Wells:

A) Refer to Topo Map C.

D. Location of Existing and/or Proposed Facilities:

This pad will expand the existing pad for the Bonanza 1023-18G-1, which is a producing gas well according to Utah Division of Oil, Gas and Mining (UDOGM) records on March 28, 2012. Gathering (pipeline) infrastructure will be utilized to collect and transport gas and fluids from the wells which are owned and operated by Kerr McGee Oil and Gas Onshore LP (Kerr-McGee).

Should the well(s) prove productive, production facilities will be installed on the disturbed portion of each well pad. A berm will be constructed completely around production components (typically excluding dehy's and/or separators) that contain fluids (i.e. production tanks, produced liquids tanks). The berms will generally be constructed of compacted subsoil or corrugated metal, and will hold the capacity of the largest tank and have sufficient freeboard to accomodate a 25 year rainfall event. This includes pumping units. Aboveground structures constructed or installed onsite for 6 months or longer, will be painted a flat, non-reflective, earth-tone color chosen at the onsite in coordination with the BLM (typically Shadow Gray). A production facility layout is provided as part of a project-specific APD, ROW or NOS submission.

GAS GATHERING

Please refer to Exhibit A and Topo D2- Pad and Pipeline Detail.

The gas gathering pipeline material: Steel line pipe. Surface = Bare pipe. Buried = Coated with fusion bonded epoxy coating (or equivalent). The total buried gas gathering pipeline distance from the meter to the tie in point is ± 290 °. The individual segments are broken up as follows:

The following segments are "onlease", no ROW needed.

- ±290' (0.1 miles) Section 18 T10S R23E (SE/4 NW/4) On-lease UTU-38421, BLM surface, New 16" buried gas gathering pipeline from the meter to the edge of the pad which will then tie into a previously proposed 16" buried gas pipeline (ROW UTU-88901) filed under separate cover. Please refer to Topo D2 Pad and Pipeline Detail and Exhibit A.
- 420±' (0.1 miles) Section 18 T10S R23E (SE/4 NW/4) On-lease UTU-38421, BLM surface, 6" surface gas gathering pipeline re-route directly north of the pad. The old pipeline will be removed. Please refer to Exhibit A, Line 1.

LIQUID GATHERING

Please refer to Exhibit B and Topo D2- Pad and Pipeline Detail.

The total liquid gathering pipeline distance from the separator to the tie in point is $\pm 290^{\circ}$ and the individual segments are broken up as follows:

The following segments are "onlease", no ROW needed.

±290' (0.01 miles) – Section 18 T10S R23E (SW/4 NE/4) – On-lease UTU-38421, BLM surface, New 6" buried liquid gathering pipeline from the separator to the edge of the pad, which will then tie into a previously proposed 6" buried liquid pipeline filed under separate cover. Please refer to Topo D2 - Pad and Pipeline Detail and Exhibit B.

Surface Use Plan of Operations

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Bonanza 1023-18F Pad

Pipeline Gathering Construction

Gathering (pipeline) infrastructure will be utilized to collect and transport gas and fluids from the wells which are owned and operated by Kerr McGee. Gas gathering pipeline(s,) gas lift, or liquids pipelines may be constructed to lie on the surface or be buried. Where the pipeline is adjacent to the road or well pad, the road and/or well pad will be utilized for construction activities and staging. The area of disturbance during construction from the edge of road or well pad will typically be 30' in width. Where pipelines run cross country, the width of disturbance will typically be 45 ft for buried lines and 30 ft for surface lines. In addition, Kerr-McGee requests for a permanent 30' distrubance width that will be maintained for the portion adjacent to the road. The need for the 30' permanent distrubance width is for maintenance and repairs. Cross country permanent distrubance width also are required to be 30ft.

Above-ground installation will generally not require clearing of vegetation or blading of the surface, except where safety considerations necessitate earthwork. In some surface pipeline installation instances pipe cannot be constructed where it will lay. In these cases where an above-ground pipeline is constructed parallel and adjacent to a road, it will be welded/fused on the road and then lifted from the road to the pipeline route. In other cases where a pipeline route is not parallel and adjacent to a road (cross-country between sites), it will be welded/fused in place at a well pad, access road, or designated work area and pulled between connection locations with a suitable piece of equipment.

Buried pipelines will generally be installed parallel and adjacent to existing and/or newly constructed roads and within the permitted disturbance corridor. Buried pipelines may vary from 2 inches (typically fuel gas lines) to 24 inches (typically transportation lines) in diameter, but 6 to 16 inches is typical for a buried gas line. The diameter of liquids pipelines may vary from 2 inches to 12 inches, but 6 inches is the typical diameter. Gas lift lines may vary from 2 to 12 inches in diameter, but 6-inch diameter pipes are generally used for gas lift. If two or more pipelines are present (gas gathering, gas lift, and fluids), they will share a common trench where possible.

Typically, to install a buried pipeline, topsoil will be removed, windrowed and placed on the non-working side of the route for later reclamation. Because working room is limited, the spoil may be spread out across the working side and construction will take place on the spoil. The working side of the corridor will be used for pipe stringing, bending, welding and equipment travel. Small areas on the working side displaying ruts or uneven ground will be groomed to facilitate the safe passage of equipment. After the pipelines are installed, spoil will be placed back into the trench, and the topsoil will be redistributed over the disturbed corridor prior to final reclamation. Typical depth of the trench will be 6 feet, but depths may vary according to site-specific conditions (presence of bedrock, etc.). The proposed trench width for the pipeline would range from 18-48 inches.

The pipeline will be welded along the proposed route and lowered into place. Trenching equipment will cut through the soil or into the bedrock and create good backfill, eliminating the need to remove large rocks. The proposed buried pipeline will be visually and radiographically inspected and the entire pipeline will be pneumatically or hydrostatically tested before being placed into service. Routine vehicle traffic will be prevented from using pipeline routes as travel ways by posting signs at the route's intersection with an access road.

The liquid gathering lines will be made of polyethylene or a composite polyethylene/steel or polyethylene/fiberglass that is not subject to internal or external pipe corrosion. The content of the produced fluids to be transferred by the liquid gathering system will be approximately 92% produced water and 8% condensate. Trunk line valve connections for the water gathering system will be below ground but accessible from the surface in order to prevent freezing during winter time.

Surface Use Plan of Operations 6 of 14

Bonanza 1023-18F Pad

If pipelines or roads encounter a drainage that could be subject to flooding or surface water during extreme precipitation events, Kerr-McGee will apply all applicable Army Corps mandates as well as the BLM's Hydraulic Considerations for Pipeline Crossings of Stream Channels (BLM Technical Note 423, April 2007). In addition, all stream and drainage crossings will be evaluated to determine the need for stream alteration permits from the State of Utah Division of Water Rights and if necessary, required permits will be secured. Similarly, where a road or pipeline crossing exists the pipe will be butt welded and buried to a depth between 24 and 48 inches or more. Dirt roads will be cut and restored to a condition equivalent to the existing condition. All Uintah County road encroachment and crossing permits, where applicable, will be obtained prior to crossing construction. In no case will pressure testing of pipelines result in discharge of liquids to the surface.

Pipeline signs will be installed along the route to indicate the pipeline proximity, ownership, and to provide emergency contact phone numbers. Above ground valves and lateral T's will be installed at various locations for production integrity and safety purposes.

Upon completion of the proposed buried pipeline, the entire area of disturbance will be reclaimed to the standards proposed in the Green River District Reclamation Guidelines. Please refer to section J for more details regarding final reclamation.

When no longer deemed necessary by the operator, Kerr-McGee or it's successor will consult with the BLM, Vernal Field Office before terminating of the use of the pipeline(s).

The Anadarko Completions Transportation System (ACTS) information:

Please refer to Exhibit C for ACTs Lines

Kerr-McGee will use either a closed loop drilling system that will require one pit and one storage area to be constructed on the drilling pad or a traditional drilling operation with one pit. The storage area will be used to contain only the de-watered drill cuttings and will be lined and reclaimed according to traditional pit closure standards. The pit will be constructed to allow for completion operations. The completion operations pit is lined and will be used for the wells drilled on the pad or used as part of our Anadarko Completions Transportation (ACTS) system which is disussed in more detail below. Using the closed loop drilling system will allow Kerr-McGee to decrease the amount of disturbance/footprint on location compared to a single large drilling/completion pit.

If Kerr-McGee does not use a closed loop system, it will construct a drilling reserve pit to contain drill cuttings and for use in completion operations. Depending on the location of the pit, its relation to future drilling locations, the reserve/completion pit will be utilized for the completion of the wells on that pad and/or be used as part of our ACTS system.

Kerr-McGee will use ACTS to optimize the completion processes for multiple pads across the project area which may include up to a section of development. ACTS will facilitate management of frac fluids by utilizing existing reserve pits and temporary, surface-laid aluminum liquids transfer lines between frac locations. The pit will be refurbished as follows when a traditional drill pit is used: mix and pile up drill cuttings with dry dirt, bury the original liner in the pit, walk bottom of pit with cat. Kerr-McGee will reline the pit with a 30 mil liner and double felt padding. The refurbished pit will be the same size or smaller as specified in the originally approved ROW/APD. The pit refurb will be done in a normal procedure and there will be no modification to the pit.

All four sides of the completions pit will be fenced in according to standard pit fencing procedures. Netting will be installed over all pits.

Any hydrocarbons collected will be treated and sold at approved sales facilities. A loading rack with drip containment will also be installed where water trucks would unload and load to prevent damage caused from pulling hoses in and out of the pit.

ACTS will require temporarily laying multiple 6" aluminum water transfer lines on the surface between either existing or refurbished reserve pits. Please see the attached ACTS exhibit C for placement of the proposed temporary lines. The temporary aluminum transfer lines will be utilized to transport frac fluid being injected and/or recovered during the completion process and will be laid adjacent to existing access roads or pipeline corridors. Upon completion of the frac

operation, the liquids transfer lines will be flushed with fresh water and purged with compressed air. The contents of the transfer lines will be flushed into a water truck for delivery to another ACTS location or a reserve pit.

The volume of frac fluid transported through a water transfer line will vary, but volume is projected to be approximately 1.75 bbls per 50-foot joint. Although the maximum working pressure is 125 psig, the liquids transfer lines will be operated at a pressure of approximately 30 to 40 psig. Kerr-McGee requests to keep the netted pit open for one year from first production of the first produced well on the pad. During this time the surrounding well location completion fluids may be recycled in this pit and utilized for other frac jobs in the area. After one year Kerr-McGee will backfill the pit and reclaim. If the pit is not needed for an entire year it will be backfilled and reclaimed earlier. Kerr-McGee understands that due to the temporary nature of this system, BLM considers this a casual use situation; therefore, no permanent ROW or temporary use plan will need to be issued by the BLM.

E. Location and Types of Water Supply:

Water for drilling and completion operations will be obtained from the following sources:

Permit # 49-2307	JD Field Services	Green River- Section 15, T2N, R22E
Permit # 49-2321	R.N. Industries	White River- Section 2, T10S, R24E
Permit # 49-2319	R.N. Industries	White River- Various Sources
Permit # 49-2320	R.N. Industries	Green River- Section 33, T8S, R23E

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

F. Construction Materials:

Construction operations will typically be completed with native materials found on location. Construction materials that must be imported to the site (mineral material aggregate, soils or materials suitable for fill/surfacing) will be obtained from a nearby permitted source (described in site-specific documents). No construction materials will be removed from federal lands without prior approval from the BLM. A source location other than an on-location construction site will be designated either via a map or narrative within the project specific materials provided to the BLM.

G. Methods for Handling Waste:

All wastes subject to regulation will be handled in compliance with applicable laws to minimize the potential for leaks or spills to the environment. Kerr-McGee also maintains a Spill Control and Countermeasure Plan, which includes notification requirements, including the BLM, for all reportable spills of oil, produced liquids, and hazardous materials.

Any accidental release, such as a leak or spill in excess of the reportable quantity, as established by 40 CFR Part 117.3, will be reported as per the requirements of CERCLA, Section 102 B. If a release involves petroleum hydrocarbons or produced liquids, Kerr-McGee will comply with the notification requirements of NTL-3A. Drill cuttings and/or drilling fluids will be contained in the reserve/frac pit whether a closed loop system is used or not. Cuttings will be buried in pit(s) upon closure. Unless specifically approved by the BLM, no oil or other oil-based drilling additives, chromium/metals-based, or saline muds will be used during drilling. Only fresh water (as specified above), biodegradable polymer soap, bentonite clay, and/or non-toxic additives will be used in the mud system.

Pits will be constructed to minimize the accumulation of surface precipitation runoff into the pit (via appropriate placement of subsoil storage areas and/or construction of berms, ditches, etc). Should unexpected liquid petroleum hydrocarbons (crude oil or condensate) be encountered during drilling, completions or well testing, liquid petroleum hydrocarbons will either be contained in test tanks on the well site or evacuated by vacuum trucks and transported to an approved disposal/sales facility. Should petroleum hydrocarbons unexpectedly be released into a reserve/completion pit, they will be removed as soon as practical but in no case will they remain longer than 72 hours unless an alternate is approved by the BLM. Should timely removal not be feasible, the pit will be netted as soon as practical. Similarly, hydrocarbon removal will take place prior to the closure of the pit, unless authorization is provided for disposal via alternate pit closure methods (e.g. solidification).

Surface Use Plan of Operations 8 of 14

Bonanza 1023-18F Pad

The reserve and/or fracture stimulation pit will be lined with an impermeable liner. The liner will be a synthetic material 30 mil or thicker. The bottom and side walls of the pit will be void of any sharp rocks that could puncture the liner. The liner will be installed over smooth fill subgrade that is free of pockets, loose rocks, or other materials (i.e. sand, sifted dirt, bentonite, straw, etc.) that could damage the liner. After evaporation and when dry, the reserve pit liners will be cut off, ripped and/or folded back (as safety considerations allow) as near to the mud surface as possible and buried on location or hauled to a landfill prior to backfilling the pit with a minimum of five feet of soil material.

Where necessary and if conditions (freeboard, etc.) allow, produced liquids from newly completed wells may be temporarily disposed of into pits for a period not to exceed 90 days as per Onshore Order Number 7 (OSO 7). Subsequently, permanent approved produced water disposal methods will be employed in accordance with OSO 7 and/or as described in a Water Management Plan (WMP). Otherwise, fluids disposal locations and associated haul routes, for ROW consideration, are typically depicted on Topo A of individual projects. Revisions to the water source or method of transportation will be subject to written approval from the BLM.

Any additional pits necessary for subsequent operations, such as temporary flare or workover pits, will be contained within the originally approved well pad and disturbance boundaries. Such temporary pits will be backfilled and reclaimed within 180 days of completion of work at a well location.

Pits containing drilling cuttings, mud, and/or completions fluids will be allowed to dry. Any free fluids remaining after one year from reaching total depth, date of completion, and/or determination of inactivity will be removed (as weather conditions allow) to an approved site and the pit reclaimed. Installation and operation of any sprinklers, pumps, and equipment will ensure that water spray or mist does not drift.

No garbage or non-exempt substances as defined by Resource Conservation and Recovery Act (RCRA) subtitle C will be placed in the reserve pit. All refuse (trash and other solid waste including cans, paper, cable, etc.) generated during construction, drilling, completion, and well testing activities will be contained in an enclosed receptacle, removed from the drill locations promptly, and transported to an approved disposal facility. Immediately after removal of the drilling rig, all debris and other waste materials not contained within trash receptacles will be collected and removed from the well location.

For the protection of livestock and wildlife, all open pits (excluding flare pits) will be fenced to prevent wildlife or livestock entry. Total height of pit fencing will be at least 42 inches and corner posts will be cemented and/or braced in such a manner as to keep the fence tight at all times. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet. Siphons, catchments, and absorbent pads will be installed to keep hydrocarbons produced by the drilling rig or other equipment on location from entering the reserve pit. Hydrocarbons, contaminated pads, and/or soils will be disposed of in accordance with state and federal requirements.

Portable, self-contained chemical toilets and/or sewage processing facilities will be provided for human waste disposal. Upon completion of operations, or as required, the toilet holding tanks will be pumped and the contents disposed of in an approved sewage disposal facility. All applicable regulations pertaining to disposal of human and solid waste will be observed.

Materials Management

Hazardous materials above reportable quantities will not be produced by drilling or completing proposed wells or constructing the pipelines/facilities. The term "hazardous materials" as used here means: (1) any substance, pollutant, or containment listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended 42 U.S.C. 9601 et seq., and the regulations issued under CERCLA; and (2) any hazardous waste as defined in RCRA of 1976, as amended. In addition, no extremely hazardous substance, as defined in 40 CFR 355, in threshold planning quantities, would be used, produced, stored, transported, or disposed of while producing any well.

Surface Use Plan of Operations

9 of 14

Bonanza 1023-18F Pad

Hazardous materials may be contained in some grease or lubricants, solvents, acids, paint, and herbicides, among others as defined above. Kerr-McGee maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets

(MSDS) for all chemicals, compounds, and/or substances that are used during the course of construction, drilling, completion, and production operations for this project. The transport, use, storage and handling of hazardous materials will follow procedures specified by federal and state regulations. Transportation of hazardous materials to the well location is regulated by the Department of Transportation (DOT) under 49 CFR, Parts 171-180. DOT regulations pertain to the packing, container handling, labeling, vehicle placarding, and other safety aspects.

Potentially hazardous materials used in the development or operation of wells will be kept in limited quantities on well sites and at the production facilities for short periods of time. Chemicals meeting the criteria for being an acutely hazardous material/substance or meet the quantities criteria per BLM Instruction Memorandum No. 93-344 will not be used.

Chemicals subject to reporting under Title III of the Superfund Amendments and Reauthorization Act (SARA) in quantities of 10,000 pounds or more may be produced and/or stored at production facilities (crude oil/condensate, produced water). They may also be kept in limited quantities on drilling sites (barite, diesel fuel, cement, cottonseed hulls etc.) for short periods of time during drilling or completion activities.

Fluids disposal and pipeline/haul routes are depicted on Topo Map A.

Any produced water separated from recoverable condensate from the proposed well will be contained in a water tank and will then be transported by pipeline and/or truck to one of the pre-approved disposal sites:

RNI in Sec. 5 T9S R22E NBU #159 in Sec. 35 T9S R21E Ace Oilfield in Sec. 2 T6S R20E MC&MC in Sec. 12 T6S R19E Pipeline Facility in Sec. 36 T9S R20E

Goat Pasture Evaporation Pond in SW/4 Sec. 16 T10S R22E

Bonanza Evaporation Pond in Sec. 2 T10S R23E

Or to one of the following Kerr-McGee active Salt Water Disposal (SWD) wells:

NBU 159 SWD in Sec. 35 T9S R21E CIGE 112D SWD in Sec. 19 T9S R21E CIGE 114 SWD in Sec. 34 T9S R21E NBU 921-34K SWD in Sec. 34 T9S R21E NBU 921-33F SWD in Sec. 34 T9S R21E

H. Ancillary Facilities:

No additional ancillary facilities are planned for this location.

I. Well Site Layout:

The location, orientation and aerial extent of each drill pad, reserve/completion/flare pit (for closed loop or non-closed loop operations), access road ingress/egress points, drilling rig, dikes/ditches, existing wells/infrastructure, proposed cuts and fills, and topsoil and spoil material stockpile locations are depicted on the exhibits for each project, where applicable. Site-specific conditions may require slight deviation in actual equipment depending on whether a closed loop system is used. Surface distance may be less if using closed loop. But in either case, the area of distrubance will not exceed the maximum disturbance outlined in the attached exhibits.

For the protection of livestock and wildlife, all open pits and cellars will be fenced to prevent wildlife or livestock entry. Total height of pit fencing will be at least 42 inches and corner posts will be cemented and/or braced in such a manner as to keep the fence tight at all times. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

Each well will utilize either a centralized tank battery, centralized fluids management system, or have tanks installed on its pad. Production/ Produced Liquid tanks will be constructed, maintained, and operated to prevent unauthorized surface or subsurface discharges of liquids and to prevent livestock or wildlife entry. The tanks will be kept reasonably free from surface accumulations of liquid hydrocarbons. The tanks are not to be used for disposal of liquids from additional sources without prior approval of BLM.

J. Plans for Surface Reclamation:

The surface reclamation will be undertaken in two phases: interim and final. Interim reclamation is conducted following well completion and extends through the period of production. Interim reclamation is for the area of the well pad that is not required for production activities. Final reclamation is conducted following well plugging/conversion and/or facility abandonment processes.

Reclamation activities in both phases may include but is not limited to the re-contouring or re-configuration of topographic surfaces, restoration of drainage systems, segregation of spoils materials, minimizing surface disturbance, re-evaluating backfill requirements, pit closure, topsoil redistribution, soil treatments, seeding and weed control.

Interim Reclamation

Interim reclamation may include pit evaporation, fluid removal, pit solidification, re-contouring, ripping, spreading top soil, seeding, and/or weed control. Interim reclamation will be performed in accordance with OSO 1, or written notification will be provided to the BLM for approval. Where feasible, drilling locations, reserve pits, or access routes not utilized for production operations will be re-contoured to a natural appearance.

Interim re-contouring involves bringing all construction material from cuts and fills back onto the well pad and site and reestablishing the natural contours where desirable and practical. Fill and stockpiled spoils no longer necessary to the operation will be spread on the cut slopes and covered with stockpiled topsoil. All stockpiled top soils will be used for interim reclamation where practical to maintain soil viability. Where possible, the land surface will be left "rough" after re-contouring to ensure that the maximum surface area will be available to support the reestablishment of vegetative cover.

A reserve pit, upon being allowed to dry, will be backfilled and compacted with cover materials that are void of any topsoil, vegetation, large stones, rocks or foreign objects. Soils that are moisture laden, saturated, or partially/completely frozen will not be used for backfill or cover. The pit area will be mounded to allow for settling and to promote positive surface drainage away from the pit. Disposal of pit fluids and linings is discussed in Section G.

Final Reclamation

Final reclamation will be performed for unproductive wells and after the end of the life of a productive well. As soon as practical after the conclusion of drilling and testing operations, unproductive drill holes will be plugged and abandoned (P&A). Site and road reclamation will commence following plugging. In no case will reclamation at non-producing locations be initiated later than six (6) months from the date a well is plugged. A joint inspection of the disturbed area to be reclaimed may be requested by Kerr-McGee. The primary purpose of this inspection will be to review the existing conditions, or agree upon a revised final reclamation and abandonment plan. The BLM will be notified prior to commencement of reclamation operations. A Notice of Intent to Abandon will be filed for final recommendations regarding surface reclamation.

After plugging, all wellhead equipment that is no longer needed will be removed, and the well site will be reclaimed. Final contouring will blend with and follow as closely as practical the natural terrain and contours of the original site and surrounding areas. After re-contouring the site to the approximate contour that existed prior to pad construction, final grading will be conducted over the entire surface of the well site and access road. The area will be ripped to a depth of 18 to 24 inches on 18 to 24-inch centers, where practical. The surface soil material will be pitted with small depressions to form longitudinal depressions 12 to 18 inches deep, where practical. The entire area will be uniformly covered with the depressions constructed perpendicular to the natural flow of water.

Reclamation of roads will be performed at the discretion of the BLM. All unnecessary surface equipment and structures (e.g. cattle guards) and water control structures (e.g. culverts, drainage pipes) not needed to facilitate successful reclamation will be removed during final reclamation. Roads that will be reclaimed will be ripped to a depth of 18 inches where practical, re-contoured to approximate the original contour of the ground and seeded in accordance with the seeding specifications of the BLM.

Upon successfully completing reclamation of a P&A location, a Final Abandonment Notice will be submitted to the BLM.

Measures Common to Interim and Final Reclamation

Soil preparation will be conducted using a disk for areas in need of more soil preparation following site preparation. This will provide primary soil tillage to a depth no greater than 6 inches. Prior to reseeding, compacted areas will be scarified by ripping or chiseling to loosen compacted soils, promote water infiltration, and improve soil aeration and root penetration.

Seeding will occur year-round as conditions allow and will typically be accomplished through the use of a no-till rangeland style seed drill with a "picker box" in order to seed "fluffy" seed. Where drill seeding is not the preferred method, seed will be broadcast and then raked into the ground at double the rate of drill seeding. Seed mixes appropriate to the native plant community as determined and specified for each project location based on the site specific soils will be used for re-vegetation. The seed mixes will be selected from a list provided by or approved by the BLM, or a specific seed mix will be proposed by Kerr-McGee to the BLM and used after its approval. The selected specific seed mix for each well location and road segment will be utilized while performing interim and final reclamation for each project. All seed will be certified and tags will be maintained by Kerr-McGee. Every effort will be made to obtain "cheat grass free seed".

Seed Mix to be used for Well Site, Access Road, and Pipeline (as applicable):

Bonanza Area Mix	Pure Live Seed lbs/acre
Crested Wheat (Hycrest)	2
Bottlebrush Squirreltail	1
Western Wheatgrass	1
Indian Ricegrass	1
Fourwing Saltbush	2
Shadscale	2
Forage Kochia	0.25
Rocky Mountain Bee Plant	0.5
Total	9.75

Additional soil amendments and/or stabilization may be required on sites with poor soils and/or excessive erosion potential. Where severe erosion can become a problem and/or the use of machinery is not practical, seed will be hand broadcast and raked with twice the specified amount of seed. Slopes will be stabilized using materials specifically designed to prevent erosion on steep slopes and hold seed in place so vegetation can become permanently established. These materials will include, but are not limited to: erosion control blankets, hydro-mulch, and/or bonded fiber matrix at a rate to achieve a minimum of 80 percent soil coverage. Soil amendments such as "Sustain" (an organic fertilizer that will be applied at the rate 1,800-2,100 lbs/acre with seed) may also be dry broadcast or applied with hydro-seeding equipment.

Weed Control

All weed management will be done in accordance with the Vernal BLM Surface Disturbance Weed Policy. Noxious weeds will be controlled, as applicable, on project areas. Monitoring and management of noxious and/or invasive weeds of concern will be completed annually until the project is deemed successfully reclaimed by the surface management agency and/or owner according to the Anadarko Integrated Weed Management Plan. Noxious weed infestations will be mapped using a GPS unit and submitted to the BLM with information required in the Vernal BLM Surface Disturbance Weed Policy. If herbicide is to be applied it will be done according to an approved Pesticide Use Permit (PUP), inclusive of applicable locations. All pesticide applications will be recorded using a Pesticide Application Record (PAR) and will be submitted along with a Pesticide Use Report (PUR) annually prior to Dec. 31.

Monitoring

Monitoring of reclaimed project areas will be completed annually during the growing season and actions to ensure reclamation success will be taken as needed. During the first two growing seasons an ocular methodology will be used to determine the success of the reclamation activities. During the 3rd growing season a 200 point line intercept (quantitative) methodology will be used to obtain basal cover. The goal is to have the reclaimed area reach 30% basal cover when compared to the reference site. If after three growing seasons the area has not reached 30% basal cover, additional reclamation activities may be necessary. Monitoring will continue until the reclaimed area reaches 75% basal cover of desirable vegetation when compared to the reference site. (Green River District Reclamation Guidelines)

All monitoring reports will be submitted electronically to the Vernal BLM in the form of a geo-database no later than March 1st of the calendar year following the data collection.

K. Surface/Mineral Ownership:

United States of America Bureau of Land Management 170 South 500 East Vernal, UT 84078 (435)781-4400

L. Other Information:

Onsite Specifics:

• At corner 4, extend diversion ditch north to southern endge of access road.

Cultural and Paleontological Resources

All personnel are strictly prohibited from collecting artifacts, any paleontological specimens or fossils, and from disturbing any significant cultural resources in the area. If artifacts, fossils, or any culturally sensitive materials are exposed or identified in the area of construction, all construction operations that would affect the newly discovered resource will cease, and Kerr-McGee will provide immediate notification to the BLM.

Resource Reports:

A Class I literature survey was completed on January 25, 2012 by Montgomery Archaeological Consultants, Inc (MOAC). For additional details please refer to report MOAC 11-371.

A paleontological reconnaissance survey was completed in November, 2011 by SWCA Environmental Consultants. For additional details please refer to report UT11-14314-200, report UT11-14314-198 and report UT12-14314-16.

Biological field survey was completed in November, 2011 by Grasslands Consulting, Inc (GCI). For additional details please refer to report GCI-678 and report GCI-675.

Proposed Action Annual Emissions Tables:

Table 1: Proposed Action Annual Emissions (tons/year) ¹						
Pollutant	Development	Production	Total			
NOx	3.8	0.12	3.92			
CO	2.2	0.11	2.31			
VOC	0.1	10.94	11.04			
SO_2	0.005	0.00	0.01			
PM_{10}	1.7	0.11	1.81			
PM _{2.5}	0.4	0.03	0.43			
Benzene	2.2E-03	0.08	0.09			
Toluene	1.6E-03	0.13	0.14			
Ethylbenzene	3.4E-04	0.00	0.00			
Xylene	1.1E-03	0.06	0.06			
n-Hexane	1.7E-04	0.34	0.34			
Formaldehyde	1.3E-02	8.64E-05	1.31E-02			

¹ Emissions include 1 producing well (10 bbl/d) and associated operations traffic during the year in

which the project is developed

Table 2: Proposed Action versus 2012 WRAP Phase III Emissions Inventory Comparison				
Species	Proposed Action Production Emissions (ton/yr)	WRAP Phase III 2012 Uintah Basin Emission Inventory ^a (ton/yr)	Percentage of Proposed Action to WRAP Phase III	
NOx	58.8	16,547	0.36%	
VOC	165.64335	127,495	0.13%	

^a http://www.wrapair.org/forums/ogwg/PhaseIII_Inventory.html

Uintah Basin Data

M. Lessee's or Operators' Representative & Certification:

Danielle Piernot Regulatory Analyst II Kerr-McGee Oil & Gas Onshore LP PO Box 173779 Denver, CO 80217-3779 (720) 929-6156 Tommy Thompson General Manager, Drilling Kerr-McGee Oil & Gas Onshore LP PO Box 173779 Denver, CO 80217-3779 (720) 929-6724

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

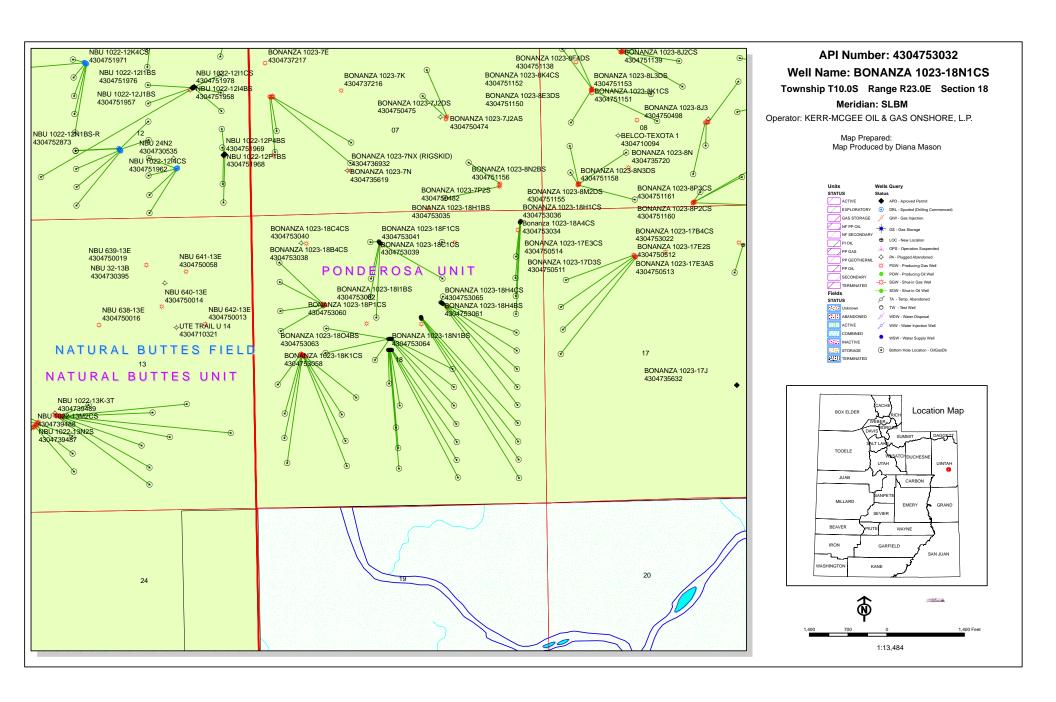
Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Bureau of Land Management Nationwide Bond WYB000291.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that I have full knowledge of the State and Federal laws applicable to this operation; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filling of false statements.

Danielle Pierret

April 16, 2012

Date



API Well Number: 43047530320000

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 8/27/2012 API NO. ASSIGNED: 43047530320000

WELL NAME: BONANZA 1023-18N1CS

OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P. (N2995) PHONE NUMBER: 720 929-6156

CONTACT: Danielle Piernot

PROPOSED LOCATION: SENW 18 100S 230E Permit Tech Review:

> SURFACE: 2440 FNL 2442 FWL Engineering Review:

> BOTTOM: 0683 FSL 2584 FWL Geology Review:

COUNTY: UINTAH

LATITUDE: 39.94941 LONGITUDE: -109.37018 UTM SURF EASTINGS: 639227.00 NORTHINGS: 4423414.00

FIELD NAME: NATURAL BUTTES LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU38421 PROPOSED PRODUCING FORMATION(S): WASATCH-MESA VERDE

SURFACE OWNER: 1 - Federal **COALBED METHANE: NO**

RECEIVED AND/OR REVIEWED: LOCATION AND SITING:

✓ PLAT R649-2-3.

Unit: PONDEROSA Bond: FEDERAL - WYB000291

Potash R649-3-2. General

Oil Shale 190-5

Oil Shale 190-3 R649-3-3. Exception

Drilling Unit Oil Shale 190-13

Board Cause No: Cause 179-17 Water Permit: 43-8496

Effective Date: 5/9/2012 **RDCC Review:**

Siting: Suspends General Siting Fee Surface Agreement

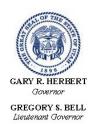
✓ Intent to Commingle R649-3-11. Directional Drill

Commingling Approved

Comments: Presite Completed

Stipulations:

3 - Commingling - ddoucet4 - Federal Approval - dmason15 - Directional - dmason



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: BONANZA 1023-18N1CS

API Well Number: 43047530320000

Lease Number: UTU38421 Surface Owner: FEDERAL Approval Date: 9/18/2012

Issued to:

KERR-MCGEE OIL & GAS ONSHORE, L.P., P.O. Box 173779, Denver, CO 80217

Authority:

Pursuant to Utah Code Ann. 40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause 179-17. The expected producing formation or pool is the WASATCH-MESA VERDE Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

Commingle:

In accordance with Board Cause No. 179-17, commingling of the production from the Wasatch formation and the Mesaverde formation in this well is allowed.

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

• Within 24 hours following the spudding of the well - contact Carol Daniels at 801-538-5284

(please leave a voicemail message if not available)

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website

at http://oilgas.ogm.utah.gov

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) due within 5 days of spudding the well
- Monthly Status Report (Form 9) due by 5th day of the following calendar month
 - Requests to Change Plans (Form 9) due prior to implementation
 - Written Notice of Emergency Changes (Form 9) due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) due prior to implementation
 - Report of Water Encountered (Form 7) due within 30 days after completion
- Well Completion Report (Form 8) due within 30 days after completion or plugging

Approved By:

For John Rogers Associate Director, Oil & Gas

RECEND

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

MAY 0 1 2012

FORM APPROVED OMB No. 1004-0136 Expires July 31, 2010

Lease Serial No. UTU38421

APPLICATION FOR PERMIT	to dr ibleMfeWetnal Uta l	6. If Indian, Allottee or Trib	e Name
la. Type of Work: ☑ DRILL ☐ REENTER		7. If Unit or CA Agreement,	Name and No
1b. Type of Well: ☐ Oil Well ☐ Gas Well ☐ Otl	ner 🔀 Single Zone 🔲 Multiple Zone	8. Lease Name and Well No BONANZA 1023-18N10	CS
2. Name of Operator Contact:	DANIELLE PIERNOT	9. API Well No.	
KERR MCGEE OIL&GAS ONSHOREMailPDanielle		43-047-5303	2
3a. Address PO BOX 173779 DENVER, CO 80202-3779	3b. Phone No. (include area code) Ph: 720-929-6156 Fx: 720-929-7156	10. Field and Pool, or Explo BONANZA	ratory
4. Location of Well (Report location clearly and in accorda	nce with any State requirements.*)	11. Sec., T., R., M., or Blk. a	and Survey or Area
At surface SENW 2440FNL 2442FWL	39.949546 N Lat, 109.370108 W Lon	Sec 18 T10S R23E N	/ler SLB
At proposed prod. zone, SESW 683FSL 2584FWL 3	39.943467 N Lat, 109.369680 W Lon		
14. Distance in miles and direction from nearest town or post of APPROXIMATELY 49 MILES SOUTH OF VERM	office* NAL, UT	12. County or Parish UINTAH COUNTY	13. State UT
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig, unit line, if any)	16. No. of Acres in Lease	17. Spacing Unit dedicated t	o this well
683'	637.00		
18. Distance from proposed location to nearest well, drilling,	19. Proposed Depth	20. BLM/BIA Bond No. on	file
completed, applied for, on this lease, ft. 941'	8671 MD 8147 TVD	WYB000291	
21. Elevations (Show whether DF, KB, RT, GL, etc. 5323 GL	22. Approximate date work will start 07/30/2012	23. Estimated duration 60-90 DATECEIV	- D
	24. Attachments	NOV 2 9 2	
The following, completed in accordance with the requirements of	Onshore Oil and Gas Order No. 1, shall be attached to the	his form:	UIZ
 Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest Syste SUPO shall be filed with the appropriate Forest Service Off 	tem Lands, the ice). 4. Bond to cover the operation Item 20 above). 5. Operator certification 6. Such other site specific infiguration authorized officer.	ormation and/or plans as may b	,
25. Signature (Electronic Submission)	Name (Printed/Typed) DANIELLE PIERNOT Ph: 720-929-6156	}	Date 04/16/2012
Title REGULATORY ANALYST II			
Approved by (Signature)	Name (Printed/Typed) Jerry Kenczka	1	NOV 2 0 2012
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	· · · · · · · · · · · · · · · · · · ·	
Application approval does not warrant or certify the applicant holperations thereon. Conditions of approval, if any, are attached.	ds legal or equitable title to those rights in the subject lea	se which would entitle the appl	licant to conduct
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, m tates any false, fictitious or fraudulent statements or representati	take it a crime for any person knowingly and willfully to ons as to any matter within its jurisdiction.	make to any department or age	ncy of the United

Additional Operator Remarks (see next page)

Electronic Submission #135439 verified by the BLM Well Information System For KERR MCGEE OIL&GAS ONSHORE, LP, sent to the Vernal

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

125X5014045

NOS-121111



UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Well No: API No: Kerr McGee Oil & Gas Onshore LP

Bonanza 1023-18NICS

43-047-53032

Location:

SENW, Sec. 18, T10S, R23E

Lease No: UTU-38421

Agreement:

N/A

OFFICE NUMBER:

(435) 781-4400

OFFICE FAX NUMBER: (435

(435) 781-3420

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.

NOTIFICATION REQUIREMENTS

-	Forty-Eight (48) hours prior to construction of location and access roads.
_	Prior to moving on the drilling rig.
_	Twenty-Four (24) hours prior to spudding the well.
-	Twenty-Four (24) hours prior to running casing and cementing all casing strings to: blm_ut_vn_opreport@blm.gov.
-	Twenty-Four (24) hours prior to initiating pressure tests.
	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.
	-

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

- All new and replacement internal combustion gas field engines of less than or equal to 300 designrated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.
- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop
 work and contact the Authorized Officer (AO). A determination will be made by the AO as to what
 mitigation may be necessary for the discovered paleontologic material before construction can
 continue.

General Conditions of Approval

- Kerr McGee will adhere to all applicant committed conservation measures and conservation recommendations that are stated in the USFWS's "Final Biological Opinion for the Anadarko Petroleum Corporation Natural Buttes Unit and Bonanza Area Natural Gas Development Project.
- The operator will follow the Green River District Reclamation Guidelines for Reclamation.

Mitigation for Invasive Weeds

- All vehicles and equipment will be cleaned either through power-washing, or another approved method, if the vehicles or equipment were previously operated outside the Uinta Basin, to prevent weed seed introduction.
- All disturbance areas will be monitored for noxious weeds annually, for a minimum of three growing seasons following completion of project or until desirable vegetation is established
- Noxious and invasive weeds will be controlled throughout the area of project disturbance.
- Noxious weeds will be inventoried and reported to BLM in the annual reclamation report. Where an
 integrated pest management program is applicable, coordination has been undertaken with the
 state and local management program (if existing). A copy of the pest management plan will be
 submitted for each project.
- A pesticide use permit (PUP) will be obtained for the project, if applicable.

Mitigation for Threatened, Endangered or Candidate Wildlife

- The best method to avoid entrapment is to pump from an off-channel location one that does not connect to the river during high spring flows. An infiltration gallery constructed in a BLM and Service approved location is best.
- If the pump head is located in the river channel where larval fish are known to occur, the following measures apply:

- a. do not situate the pump in a low-flow or no-flow area as these habitats tend to concentrate larval fishes;
- b. limit the amount of pumping, to the greatest extent possible, during that period of the year when larval fish may be present (see above); and
- c. limit the amount of pumping, to the greatest extent possible, during the pre-dawn hours as larval drift studies indicate that this is a period of greatest daily activity.
- Screen all pump intakes with 3/32" mesh material.
- Report any fish impinged on the intake screen to the Service (801.975.3330) and the Utah Division of Wildlife Resources:

Northeastern Region 152 East 100 North, Vernal, UT 84078 Phone: (435) 781-9453

Mitigation for Air Quality

- All new and replacement internal combustion gas field engines of less than or equal to 300 designrated horse power must not emit more than 2 grams of NOx per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower-hour.
- All new and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 grams of NOx per horsepower-hour.
- The following will be used as standard operating procedures: Green completion or controlled VOC
 emissions methods with 90% efficiency for Oil or Gas Atmospheric Storage Tanks, VOC Venting
 controls or flaring, Glycol Dehydration and Amine Unites, Well Completion, Re-Completion, Venting,
 and Planned Blowdown Emissions.

All internal combustion equipment will be kept in good working order.

Water or other approved dust suppressants will be used at construction sites and along roads, as determined appropriate by the Authorized Officer. Dust suppressant such as magnesium chloride or fresh water may be used, as needed, during the drilling phase to control fugitive dust from truck traffic.

Open burning of garbage or refuse will not occur at well sites or other facilities.

Drill rigs will be equipped with Tier II or better diesel engines

Low bleed pneumatics will be installed on separator dump valves and other controllers. The use of low bleed pneumatics will result in a lower emission of VOCs.

During completion, flaring will be limited as much as possible. Production equipment and gathering lines will be installed as soon as possible.

Telemetry will be installed to remotely monitor and control production. This will reduce truck traffic and decrease associated dust and tailpipe emissions.

Signs will be installed on the access road, reducing speed to 25 MPH, during the drilling phase to decrease fugitive dust from truck traffic.

DOWNHOLE PROGRAM CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- Gamma Ray Log shall be run from Total Depth to Surface.
- CBL will be run from TD to TOC.
- Cement for the surface casing will be circulated to the surface.;

Variances Granted

All variances approved as written in APD

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily
 drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order
 No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a
 test pump with a chart recorder and <u>NOT</u> by the rig pumps. Test shall be reported in the driller's
 log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- Cement baskets shall not be run on surface casing.
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is
 encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal
 Field Office.

Page 5 of 7 Well: Bonanza 1023-18N1CS 11/13/2012

- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM,
 Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- Please submit an electronic copy of all other logs run on this well in LAS format to BLM_UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at www.ONRR.gov.
- Should the well be successfully completed for production, the BLM Vernal Field office must be
 notified when it is placed in a producing status. Such notification will be by written communication
 and must be received in this office by not later than the fifth business day following the date on
 which the well is placed on production. The notification shall provide, as a minimum, the following
 informational items:
 - o Operator name, address, and telephone number.
 - Well name and number.
 - o Well location (1/41/4, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - o The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - o Unit agreement and/or participating area name and number, if applicable.
 - o Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid,

Page 7 of 7 Well: Bonanza 1023-18N1CS 11/13/2012

and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering
 lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a
 suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be
 obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover
 equipment shall be removed from a well to be placed in a suspended status without prior approval
 of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior
 approval of the BLM Vernal Field Office shall be obtained and notification given before resumption
 of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

Sundry Number: 42091 API Well Number: 43047530320000

	STATE OF UTAH		FORM 9	
ı	DEPARTMENT OF NATURAL RESOURCE DIVISION OF OIL, GAS, AND MIN		5.LEASE DESIGNATION AND SERIAL NUMBER: UTU38421	
SUNDR	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
	posals to drill new wells, significantly d reenter plugged wells, or to drill horizon n for such proposals.		7.UNIT or CA AGREEMENT NAME: PONDEROSA	
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: BONANZA 1023-18N1CS	
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ON	ISHORE, L.P.		9. API NUMBER: 43047530320000	
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th	n Street, Suite 600, Denver, CO, 80217	PHONE NUMBER: 3779 720 929-6	9. FIELD and POOL or WILDCAT: 5NATERAL BUTTES	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2440 FNL 2442 FWL			COUNTY: UINTAH	
QTR/QTR, SECTION, TOWNSH Qtr/Qtr: SENW Section: 1	HP, RANGE, MERIDIAN: 18 Township: 10.0S Range: 23.0E Meridi	an: S	STATE: UTAH	
11. CHECI	K APPROPRIATE BOXES TO INDICAT	E NATURE OF NOTICE, REPOR	RT, OR OTHER DATA	
TYPE OF SUBMISSION		TYPE OF ACTION		
✓ NOTICE OF INTENT	ACIDIZE	ALTER CASING	CASING REPAIR	
Approximate date work will start: 9/18/2013	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME	
9/10/2013	CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE	
SUBSEQUENT REPORT Date of Work Completion:	DEEPEN	FRACTURE TREAT	☐ NEW CONSTRUCTION	
Date of Work Completion.	OPERATOR CHANGE	PLUG AND ABANDON	PLUG BACK	
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION	
SPUD REPORT Date of Spud:	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	TEMPORARY ABANDON	
	TUBING REPAIR	VENT OR FLARE	WATER DISPOSAL	
DRILLING REPORT	WATER SHUTOFF	SI TA STATUS EXTENSION	✓ APD EXTENSION	
Report Date:	WILDCAT WELL DETERMINATION	OTHER	OTHER:	
			<u> </u>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you Date: September 12, 2013				
			By: September 12, 2013	
			7,0	
NAME (PLEASE PRINT) Teena Paulo	PHONE NUMBE 720 929-6236	ER TITLE Staff Regulatory Specialist		
SIGNATURE	120 323-0230	DATE		
N/A		9/4/2013		

Sundry Number: 42091 API Well Number: 43047530320000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047530320000

API: 43047530320000

Well Name: BONANZA 1023-18N1CS

Location: 2440 FNL 2442 FWL QTR SENW SEC 18 TWNP 100S RNG 230E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 9/18/2012

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

• If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No	
 Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No 	
 Has there been any unit or other agreements put in place that could affect the permitting or operation of the proposed well? Yes No 	is
 Have there been any changes to the access route including ownership, or rightof- way, which could affect t proposed location? Yes No 	he
• Has the approved source of water for drilling changed? Yes No	
 Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No 	ì
• Is bonding still in place, which covers this proposed well? Yes No	
nature: Teena Paulo Date: 9/4/2013	

Sig

Title: Staff Regulatory Specialist Representing: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Sundry Number: 54319 API Well Number: 43047530320000

			1	
	STATE OF UTAH DEPARTMENT OF NATURAL RESOURCE		FORM 9	
	ES ING	5.LEASE DESIGNATION AND SERIAL NUMBER: UTU38421		
SUNDF	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
	oposals to drill new wells, significantly d reenter plugged wells, or to drill horizon n for such proposals.		7.UNIT or CA AGREEMENT NAME: PONDEROSA	
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2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ON	NSHORE, L.P.		9. API NUMBER: 43047530320000	
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18t	h Street, Suite 600, Denver, CO, 80217	PHONE NUMBER: 3779 720 929-6	9. FIELD and POOL or WILDCAT: 1队ATURAL BUTTES	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2440 FNL 2442 FWL			COUNTY: UINTAH	
QTR/QTR, SECTION, TOWNS	HIP, RANGE, MERIDIAN: 18 Township: 10.0S Range: 23.0E Meridi	an: S	STATE: UTAH	
11. CHEC	K APPROPRIATE BOXES TO INDICATE	E NATURE OF NOTICE, REPOR	RT, OR OTHER DATA	
TYPE OF SUBMISSION		TYPE OF ACTION		
	ACIDIZE [ALTER CASING	CASING REPAIR	
NOTICE OF INTENT Approximate date work will start:	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME	
9/18/2014	CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE	
SUBSEQUENT REPORT	DEEPEN [FRACTURE TREAT	☐ NEW CONSTRUCTION	
Date of Work Completion:	OPERATOR CHANGE	PLUG AND ABANDON	PLUG BACK	
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION	
SPUD REPORT Date of Spud:	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	TEMPORARY ABANDON	
	TUBING REPAIR	VENT OR FLARE	WATER DISPOSAL	
DRILLING REPORT	WATER SHUTOFF	SI TA STATUS EXTENSION	✓ APD EXTENSION	
Report Date:	WILDCAT WELL DETERMINATION	OTHER	OTHER:	
42 DESCRIPE PROPOSED OF			<u>'</u>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you. Approved by the Utagusivis20,20f4 Oil, Gas and Mining				
			Date:	
			By: Daggill	
NAME (PLEASE PRINT) Teena Paulo	PHONE NUMBE 720 929-6236	R TITLE Staff Regulatory Specialist		
SIGNATURE		DATE		
N/A		8/7/2014		

Sundry Number: 54319 API Well Number: 43047530320000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047530320000

API: 43047530320000

Well Name: BONANZA 1023-18N1CS

Location: 2440 FNL 2442 FWL QTR SENW SEC 18 TWNP 100S RNG 230E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 9/18/2012

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

• If located on private land, has Yes No	the ownership changed, if so, has the surface agreement been updated?	
 Have any wells been drilled in requirements for this location 	the vicinity of the proposed well which would affect the spacing or siting?	
Has there been any unit or ot proposed well? Yes	ner agreements put in place that could affect the permitting or operation of t No	:hi
Have there been any changes proposed location? Yes	to the access route including ownership, or rightof- way, which could affect No	th
• Has the approved source of v	ater for drilling changed? 🔘 Yes 📵 No	
	changes to the surface location or access route which will require a change in at the onsite evaluation? 🔵 Yes 🌘 No	in
• Is bonding still in place, whic	n covers this proposed well? 🃵 Yes 🔘 No	
ı nature: Teena Paulo	Date: 8/11/2014	

Sig

Title: Staff Regulatory Specialist Representing: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Form 3160-5 (August 2007)

Approved By

RECEIVED **UNITED STATES** DEPARTMENT OF THE INTERIOR

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

<u>}</u>	SUREAU OF LAND MANA	AGEMENT IN I HIS '	· · · · · · · · · · · · · · · · · · ·	
SUNDRY	NOTICES AND REPO	ORTS ON WELLS	5. Lease So UTU38	
Do not use the abandoned we	nis form for proposals to all. Use form 3160-3 (AP	o drill or to re-enter an PD) for such propo les	6. If Indian	, Allottee or Tribe Name
SUBMIT IN TR	IPLICATE - Other instru	ctions on reverse side.	7. If Unit of UTU88	or CA/Agreement, Name and/or No.
1. Type of Well			8. Well Nar BONAN	ne and No. IZA 1023-18N1CS
Oil Well Gas Well O		KAY E. KELLY	9. API We	
KERR MCGEE OIL&GAS ON	ISHORE, EPMail: kay.kelly@	ganadarko.com		7-53032
3a. Address P. O. BOX 173779 1099 18T DENVER,, CO 80217-3779	H STREET, SUITE 1800	3b. Phone No. (include area code) Ph: 720-929-6582	10. Field at NATU	nd Pool, or Exploratory RAL BUTTES
4. Location of Well (Footage, Sec.,	T., R., M., or Survey Description	i)	11. County	or Parish, and State
Sec 18 T10S R23E Mer UBM	I SENW 2440FNL 2442FV	V L	UINTA	H COUNTY, UT
12. CHECK APP	ROPRIATE BOX(ES) TO	O INDICATE NATURE OF N	OTICE, REPORT, O	R OTHER DATA
TYPE OF SUBMISSION		TYPE OF	ACTION	
Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Re	esume)
_	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	Well Integrity
☐ Subsequent Report	□ Casing Repair	■ New Construction	☐ Recomplete	Other
☐ Final Abandonment Notice	☐ Change Plans	□ Plug and Abandon	☐ Temporarily Aband	on Change to Original A
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	
Attach the Bond under which the wo following completion of the involve testing has been completed. Final A determined that the site is ready for	ally or recomplete horizontally, or will be performed or provided operations. If the operation re bandonment Notices shall be fil final inspection.)	give subsurface locations and measur the Bond No. on file with BLM/BIA sults in a multiple completion or recor ed only after all requirements, including	ed and true vertical depths Required subsequent repondition in a new interval, and reclamation, have been on	of all pertinent markers and zones. rts shall be filed within 30 days
the maximum time allowed. I	ore, L. P. (Kerr-McGee) re Please contact the unders	spectfully requests an extension igned with any questions and/o	on to this APD for comments.	VERNAL FIELD OFFICE
Thank you. APD-11/20/12		RECE	EIVED	ENG. KAR 10/29/14
NEPA- EA-2012-7	125			GEOL
FONSI - 9/24/12		NOV 0	6 2014	E.S
CONDITIONS OF AP	DDOWAL ATTACHED	DIV. OF OIL, O	SAS&MINING	PET
COMDITIONS OF AF	PROVAL AT INCHED			DEG!
•				Committee of the second
14. I hereby certify that the foregoing is	Electronic Submission # For KERR MCGEI	267577 verified by the BLM Well E OIL&GAS ONSHORE,LP, sent	to the Vernal	
Name (Printed/Typed) KAY E. K		r processing by JOHNETTA MAC Title SR STA	SEE on 10/07/2014 () .FF REG. SPECIALIS`	-
Haute (1 rimew 1 ypeu) NATE. K	ELLI	THE SK. STA	IFF REG. SPECIALIS	<u> </u>
Signature (Electronic	Submission)	Date 10/01/20	14	
	THIS SPACE EC	OP FEDERAL OP STATE (SEICE HEE	

Conditions of approved it eny, are attacked. Approval of this notice does not warrant or certify that the applicant holds legal evequitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



OCT 3 0 2014

Assistant Field Manager

Lands & Mineral Resources

VERNAL FIELD OFFICE

Title

Office

CONDITIONS OF APPROVAL

Kerr McGee Oil and Gas Onshore LP.

Notice of Intent APD Extension

Lease:

UTU-38421

Well:

BONANZA 1023-18N1CS

Location:

SENW Sec 18-T10S-R23E

An extension for the referenced APD is granted with the following conditions:

- 1. The extension and APD shall expire on 11/20/2016.
- 2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Robin L Hansen of this office at (435) 781-2777

Sundry Number: 65587 API Well Number: 43047530320000

	STATE OF UTAH		FORM 9
	DEPARTMENT OF NATURAL RESOURG DIVISION OF OIL, GAS, AND MII		5.LEASE DESIGNATION AND SERIAL NUMBER: UTU38421
SUNDF	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:		
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			7.UNIT or CA AGREEMENT NAME: PONDEROSA
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: BONANZA 1023-18N1CS		
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ON	NSHORE, L.P.		9. API NUMBER: 43047530320000
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18tl	h Street, Suite 600, Denver, CO, 8021	PHONE NUMBER: 7 3779 720 929-	9. FIELD and POOL or WILDCAT: 1NATERAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2440 FNL 2442 FWL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSH	HIP, RANGE, MERIDIAN: 18 Township: 10.0S Range: 23.0E Meri	dian: S	STATE: UTAH
11. CHEC	K APPROPRIATE BOXES TO INDICA	TE NATURE OF NOTICE, REPOR	RT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
7	ACIDIZE	ALTER CASING	CASING REPAIR
Approximate date work will start:	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME
8/19/2015	CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE
SUBSEQUENT REPORT Date of Work Completion:	DEEPEN DEEPEN	FRACTURE TREAT	NEW CONSTRUCTION
Date of Work Completion.	OPERATOR CHANGE	PLUG AND ABANDON	PLUG BACK
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION
SPUD REPORT Date of Spud:	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	TEMPORARY ABANDON
	TUBING REPAIR	VENT OR FLARE	WATER DISPOSAL
DRILLING REPORT	WATER SHUTOFF	SI TA STATUS EXTENSION	✓ APD EXTENSION
Report Date:	WILDCAT WELL DETERMINATION	OTHER	OTHER:
Kerr-McGee Oil & G an extension to this	COMPLETED OPERATIONS. Clearly show Gas Onshore, L.P. (Kerr-McG APD for the maximum time with any questions and/or c	iee) respectfully requests allowed. Please contact	Approved by the
NAME (PLEASE PRINT) Jennifer Thomas	PHONE NUME 720 929-6808	BER TITLE Regulatory Specialist	
SIGNATURE N/A		DATE 8/19/2015	

Sundry Number: 65587 API Well Number: 43047530320000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047530320000

API: 43047530320000

Well Name: BONANZA 1023-18N1CS

Location: 2440 FNL 2442 FWL QTR SENW SEC 18 TWNP 100S RNG 230E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 9/18/2012

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

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• If located on private land, has the Yes No	ne ownership changed, if so, has the surface agreement been updated? 🔵
 Have any wells been drilled in t requirements for this location? 	he vicinity of the proposed well which would affect the spacing or siting Yes No
Has there been any unit or other proposed well?	er agreements put in place that could affect the permitting or operation of thi No
Have there been any changes to proposed location? Yes (o the access route including ownership, or rightof- way, which could affect the
• Has the approved source of wat	ter for drilling changed? 🔘 Yes 📵 No
, , ,	hanges to the surface location or access route which will require a change in at the onsite evaluation? (Yes (No
• Is bonding still in place, which o	covers this proposed well? 🌘 Yes 🔘 No
nature: Jennifer Thomas	Date: 8/19/2015

Sig

Title: Regulatory Specialist Representing: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Sundry Number: 74067 API Well Number: 43047530320000

	STATE OF UTAH		FORM 9
	DEPARTMENT OF NATURAL RESOURCE DIVISION OF OIL, GAS, AND MIN		5.LEASE DESIGNATION AND SERIAL NUMBER: UTU38421
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TYPE OF SUBMISSION		TYPE OF ACTION	
7	ACIDIZE	ALTER CASING	CASING REPAIR
NOTICE OF INTENT Approximate date work will start:	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME
8/31/2016	CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE
SUBSEQUENT REPORT Date of Work Completion:	DEEPEN	FRACTURE TREAT	NEW CONSTRUCTION
Date of Work Completion.	OPERATOR CHANGE	PLUG AND ABANDON	PLUG BACK
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION
SPUD REPORT Date of Spud:	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	TEMPORARY ABANDON
	TUBING REPAIR	VENT OR FLARE	WATER DISPOSAL
DRILLING REPORT	WATER SHUTOFF	SI TA STATUS EXTENSION	✓ APD EXTENSION
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Kerr-McGee Oil & G an extension to this	COMPLETED OPERATIONS. Clearly show a Gas Onshore, L.P. (Kerr-McGe APD for the maximum time with any questions and/or co	ee) respectfully requests allowed. Please contact	Approved by the
NAME (PLEASE PRINT)	PHONE NUMB		
Joel Malefyt	720 929-6828	Regualtory Analyst	
SIGNATURE N/A		DATE 8/31/2016	

Sundry Number: 74067 API Well Number: 43047530320000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047530320000

API: 43047530320000

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 Has there been any unit or other agreements put in place that could affect the permitting or operation of t proposed well? Yes No
 Have there been any changes to the access route including ownership, or rightof- way, which could affect proposed location? Yes No
• Has the approved source of water for drilling changed? 🔘 Yes 📵 No
 Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
• Is bonding still in place, which covers this proposed well? 🌘 Yes 🔘 No
Signature: Joel Malefyt Date: 8/31/2016

Title: Regualtory Analyst Representing: KERR-MCGEE OIL & GAS ONSHORE, L.P.

RECEIVED: Aug. 31, 2016